

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

215

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

S. 821

A BILL TO AMEND THE AGRICULTURAL ADJUSTMENT ACT OF
1938, AS AMENDED, TO PROVIDE FOR ACREAGE-POUNDAGE
MARKETING QUOTAS FOR TOBACCO

FEBRUARY 9 AND 10, 1965

Printed for the use of the
Committee on Agriculture and Forestry



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1965

PLEASE RETURN TO USDA
NATIONAL AGRICULTURAL LIBRARY
LAW BRANCH, LEGISLATIVE REPORTING,
Rm. 117-E, Admin Bldg.
Wash. D. C. Ext. 4654

COMMITTEE ON AGRICULTURE AND FORESTRY

ALLEN J. ELLENDER, Louisiana, *Chairman*

OLIN D. JOHNSTON, South Carolina
SPESSARD L. HOLLAND, Florida
JAMES O. EASTLAND, Mississippi
HERMAN E. TALMADGE, Georgia
B. EVERETT JORDAN, North Carolina
EUGENE J. MCCARTHY, Minnesota
GEORGE McGOVERN, South Dakota
ROSS BASS, Tennessee
JOSEPH M. MONTOYA, New Mexico

GEORGE D. AIKEN, Vermont
MILTON R. YOUNG, North Dakota
JOHN SHERMAN COOPER, Kentucky
J. CALEB BOGGS, Delaware
JACK MILLER, Iowa

COTYS M. MOUSER, *Chief Clerk*

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION
OF PRICES

OLIN D. JOHNSTON, South Carolina, *Chairman*

SPESSARD L. HOLLAND, Florida
B. EVERETT JORDAN, North Carolina
HERMAN E. TALMADGE, Georgia
EUGENE J. MCCARTHY, Minnesota

MILTON R. YOUNG, North Dakota
JOHN SHERMAN COOPER, Kentucky
JACK MILLER, Iowa

CONTENTS

Statement of—	Page
Clay, Albert G., president, Burley Auction Warehouse Association, Mt. Sterling, Ky.....	81
Corpening, Wayne, special assistant for farm affairs to the Governor of North Carolina, Raleigh, N.C.....	130
Cozard, Rydnor M., Wilson, N.C.....	146
Daniels, Elmer R., Nash County Farm Bureau, Spring Hope, N.C....	136
Durden, Homer S. Jr., attorney for the Georgia Commodity Commis- sion for Tobacco, Swainsboro, Ga.....	191
Elvington, P. L., Nichols, S.C.....	142
Ervin, Hon. Sam J., Jr., a U.S. Senator from the State of North Carolina.....	10
Flowers, Frank, Darlington, S.C.....	182
Ford, Tyler, general manager, Maryland Tobacco Cooperative, Upper Marlboro, Md., also representing the Maryland State Farm Bureau and the Southern Maryland Farm Bureau.....	197
Godfrey, Horace D., Administrator, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.....	31
Graham, Harry L., legislative representative, National Grange.....	61
Gregory, John M. M., Jr., president, American Leaf Organization of the Imperial Tobacco Co. of Great Britain and Ireland, Ltd., Richmond, Va.....	80
Hall, A. J., president, Virginia Farmers Union, Windsor, Va., also representing the National Farmers Union.....	128
Hicks, Carl T., president, Flue-Cured Tobacco Cooperative Stabili- zation Corp., Raleigh, N.C.....	80
Holliday, Joseph W., Galivants Ferry, S.C.....	186
Lanier, J. C., Greenville, N.C.....	143
Lanier, William L., president, Georgia Farm Bureau Federation, Metter, Ga.....	85
Mangum, B. C., president, North Carolina Farm Bureau, Rougemont, N.C.....	133
Moore, S. T., Jr., chairman, Flue-Cured Tobacco Committee, Virginia Farm Bureau, South Hills, Va.....	140
Murphy, Hon. Charles S., Under Secretary of Agriculture.....	16
Palmer, John D., chairman, Tobacco Acreage-Poundage Legislative Committee.....	64
Royster, F. S., managing director, Bright Belt Warehouse Association, Henderson, N.C.....	124
Seawell, Malcolm B., executive secretary and general counsel, Leaf Tobacco Exporters Association, Raleigh, N.C.....	131
Sloan, David, president, South Carolina Farm Bureau, Columbia, S.C..	157
Snodgrass, Frank B., vice president and managing director, Burley & Dark Leaf Tobacco Export Association, and executive director, National Cigar Leaf Tobacco Association.....	153
Strickland, A. B., Loris, S.C.....	130
Touissant, William D., North Carolina State College, Raleigh, N.C....	198
Watson, George B., Nash County Farm Bureau, Whitakers, N.C., also representing Farmers Warehouse and the North Carolina Society of Farm Managers & Rural Appraisers.....	137
Weeks, L. T., general manager, Flue-Cured Tobacco Cooperative Stabilization Corp., Raleigh, N.C.....	76
Wiggins, E. J., Marion, S.C.....	170
Williamson, B. F., Darlington, S.C.....	165

Miscellaneous documents—	Page
S. 821, 89th Congress.....	2
Report on S. 821 from the Department of Agriculture.....	5
Letter to Secretary Freeman from Sir Alexander Maxwell, chairman, Tobacco Advisory Committee, London.....	19
Letter to Secretary Freeman from Taiji Sakata, president, the Japan Monopoly Corp.....	19
Step-by-step procedure under the proposed acreage-poundage pro- gram.....	25
Supplemental statements filed by the Department of Agriculture on:	
Vote requirements of referendums.....	36
Trend in yields of burley tobacco.....	37
Size of burley tobacco farm allotments.....	40
Comparison of present law with S. 821.....	42
Supplemental statement filed by the Department of Agriculture on effect of maximum and minimum limits on farm yields.....	60
Cablegrams and letters to Mr. Palmer from foreign tobacco com- panies.....	65
Tables showing:	
Domestic supplies, disappearance, season average price, and price support operations.....	93
Across-State-line movement of tobacco.....	104
Acreage, yield per acre, production, price per pound, and crop value by types of Flue-cured tobacco within States.....	105
Distribution of 1962 tobacco allotments by size groups.....	107
Tobacco acreage allotted by kinds and by States.....	116
Stocks of leaf tobacco owned by dealers and manufacturers.....	121
Percentage of sales by quality for Flue-cured tobacco.....	121
Federal, State, and local tax revenues from tobacco products....	122
Statement of Hon. Dan K. Moore, Governor of North Carolina.....	130
Statements filed by:	
James A. Graham, State Commissioner of Agriculture, Raleigh, N.C.....	149
E. Y. Floyd, director, Plant Food Institute of North Carolina and Virginia, Raleigh, N.C.....	150
A. C. Lawrence, chairman, Agricultural Policy Committee, North Carolina State Grange, Apex, N.C.....	153
Table, average sales price of Flue-cured tobacco by States.....	171
Report by the Flue-Cured Tobacco Cooperative Stabilization Corp. on the grade composition of the 1964 crop.....	174
Supplemental statement on authority under present law for establish- ment of farm marketing quotas and acreage allotments.....	192
Statements filed by:	
Tennessee Farm Bureau Federation.....	203
Florida Farm Bureau Federation.....	204
American Farm Bureau Federation.....	205
Mullins Warehouse Association, Mullins, S.C.....	205
W. J. Johnson and Elmer Crocker, Kenly, N.C.....	205

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

TUESDAY, FEBRUARY 9, 1965

U.S. SENATE,
SUBCOMMITTEE ON AGRICULTURAL PRODUCTION,
MARKETING, AND STABILIZATION OF PRICES OF THE
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m. in room 318, Old Senate Office Building, Senator B. Everett Jordan presiding.

Present: Senators Jordan (presiding), Ellender (chairman of the full committee), Talmadge, McCarthy, Cooper, and Miller.

Also present: Senator Ervin and Representative Bonner.

Senator JORDAN. Gentlemen, the subcommittee will come to order. I would like to read an opening statement at this time.

We are here today to receive testimony on S. 821, a bill introduced by Senator Ervin and me which would permit farmers to establish a system of acreage-poundage controls for Flue cured and other types of tobacco.

Since the bill was introduced, I have had a number of communications about various provisions in it, and during the hearings I hope that farmers and others will give the committee the benefit of their thinking about the various provisions of the bill as well as the total effect of the bill.

I am convinced that all of us need to move as rapidly as possible in setting up the machinery under which farmers themselves can vote and make a decision about acreage-poundage controls.

I am sure that all tobacco growers realize that we now have nearly 1 billion pounds of surplus tobacco on hand and we must take measures which will prevent the destruction of the tobacco program in the future.

I am sure that I speak for all members of the committee when I say we solicit any and all views on this subject as we feel this is a time when the tobacco program must have the very best thought and consideration we can give it.

We do not have a great many copies of this bill nor the Department report. I am going to ask that they be inserted in the record at this point, and we will get more printed as quickly as we can.

(S. 821 and the Department of Agriculture report on the bill are as follows:)

[S. 821, 89th Cong., 1st sess.]

A BILL To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is amended by adding immediately following section 316 a section 317 to read as follows:

“ACREAGE-POUNDAGE QUOTAS

“SEC. 317. (a) For purposes of this section—

“(1) ‘National marketing quota’ for each kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year adjusted upward or downward in such amount as the Secretary in his discretion determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of excessive supplies in order to achieve the policy of the Act.

“(2) ‘National average yield goal’ for a kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

“(3) ‘National acreage allotment’ means the acreage determined by dividing the national marketing quota by the national average yield goal.

“(4) ‘Farm acreage allotment’ for tobacco farms other than new tobacco farms means the acreage allotment determined by adjusting uniformly the last acreage allotment established for such farms so that the total of such allotments is equal to the national acreage allotment less the reserve provided in subsection (e) of this section but including the correction of any errors from the reserve and subject to an adjustment upward or downward on the basis of the farm yield to reflect any adjustment in the farm marketing quota for overmarketing or undermarketing and to any reductions required under subsection (f) of this section.

“(5) The ‘county average yield’ means in the case of Flue-cured tobacco the five-year average yield of tobacco per acre in the county for the five consecutive years beginning with the 1959 crop year as determined by the Secretary and in the case of other kinds of tobacco the five-year average yield of tobacco per acre in the county for the five most recent crop years for which data are available.

“(6)(a) ‘Preliminary farm yield’ in the case of Flue-cured tobacco means a farm yield per acre of tobacco determined by averaging the yield per acre for the three highest years of the five consecutive crop years beginning with the 1959 crop year and adjusting such yield to: (i) 130 per centum of the county average yield if the average yield so computed exceeds 130 per centum of the county average yield or (ii) 70 per centum of the county average yield if the average yield so computed is less than 70 per centum of the county average yield.

“(b) ‘Preliminary farm yield’ means in the case of kinds of tobacco other than Flue-cured, a farm yield per acre of tobacco determined by averaging the yield per acre for such of the five years used in determining the county average yield as the Secretary determines to be representative and will result in a fair and equitable relationship among farms. In determining the preliminary farm yield, the Secretary may provide maximum and minimum percentage levels in relation to the county average yield.

“(7) ‘Farm yield’ means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm and dividing the sum of the products by the national acreage allotment.

“(8) The ‘farm marketing quota’ for each farm for each marketing year shall be the product obtained by multiplying the farm yield by the acreage allotment for the farm, increased or decreased, as the case may be, by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if marketing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: *Provided*, That the farm marketing quota for any marketing year shall not be increased for undermarketing by an amount in excess of the number of pounds in the farm marketing quota first determined for the farm under this section.

If on account of excess marketing in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland, type 32 tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

“(b) Within thirty days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965 and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco, and within thirty days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967, in lieu of quotas on an acreage basis now in effect for those marketing years. If the Secretary determines that two-thirds or more of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in this section shall be in effect for those marketing years in lieu of the marketing quotas on an acreage basis which are now in effect.

“(c) Whenever, during the first or second marketing year of the three-year period for which marketing quotas on an acreage basis are in effect for a kind of tobacco, the Secretary in his discretion determines with respect to that kind of tobacco that acreage-poundage quotas under this section would result in a more effective marketing quota program for that kind of tobacco and would facilitate the administration of marketing quotas for that kind of tobacco he shall in lieu of the next announcement of the amount of the national marketing quota under section 312(b) of this Act determine and announce the amount of the national quota for that kind of tobacco under this section of the Act and at the same time announce the national acreage allotment and national average yield goal and within thirty days thereafter conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the next three marketing years. If the Secretary determines that two-thirds or more of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis as provided in this section quotas on that basis shall be in effect for the next three marketing years and the marketing quotas on an acreage basis shall cease to be in effect.

“(d) If marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis pursuant to subsection (b) or (c) the Secretary shall, not later than December 1 of any marketing year with respect to Flue-cured tobacco, and February 1 with respect to other kinds of tobacco, proclaim a national marketing quota for that kind of tobacco for the next three succeeding marketing years if the marketing year is the last year of three consecutive years that marketing quotas previously proclaimed will be in effect. The Secretary in his discretion may proclaim the quotas on an acreage allotment basis or on an acreage-poundage basis as provided in this section and shall conduct a referendum in accordance with the provisions of section 312(c) of this Act. If more than one-third of the farmers voting oppose the national marketing quotas the results shall be proclaimed and the national marketing quotas so proclaimed shall not be in effect. If the Secretary proclaims the quotas on an acreage-poundage basis he shall determine and proclaim at the same time the national marketing quota, national acreage allotment, and national average yield goal for the first year of the three years for which quotas are proclaimed. Notice of the farm marketing quota which will be in effect for his farm for the first marketing year covered by the referendum shall be mailed to the farm operator, insofar as practicable, prior to the holding of any special referendum under subsection (b) or (c) or a referendum on acreage-poundage quotas under this subsection. The Secretary shall determine and announce the national marketing quota, national acreage allotment, and national average yield goal for the second and third marketing years of any three-year period for which national marketing quotas on an acreage-poundage basis are in effect on or before the December 1 with

respect to Flue-cured tobacco and the February 1 with respect to other kinds of tobacco immediately preceding the beginning of the marketing year to which they apply. Whenever a national marketing quota, national acreage allotment, and national average yield goal is determined and announced the Secretary shall provide for the determination of farm acreage allotments and farm marketing quotas under the provisions of this section for the crop and marketing year covered by the determinations.

“(e) No farm acreage allotments and farm yields shall be established for farms on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding five years. For each marketing year that acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than 1 per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments and for establishing acreage allotments for new farms which are farms on which tobacco was not produced or considered produced during the immediately preceding five years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop-rotation practices, soil, and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms.

“(f) Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage allotments and farm yields established under this section, and the reductions required thereunder shall be in addition to any other adjustments in such allotments made pursuant to this section. The provisions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production of tobacco grown on a farm for which an acreage allotment and a farm yield is established as provided in this section. In establishing acreage allotments and farm yields for other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency. Acreage allotments and farm marketing quotas determined under this section may be leased under the terms and conditions contained in section 316 of this Act, except that the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields.

“(g) When marketing quotas under this section are in effect provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

“(1) No penalty on excess tobacco shall be due or collected until 100 per centum of the farm marketing quota for a farm (105 per centum for the first year a national marketing quota established under this section is in effect provided the acreage harvested from the farm is not in excess of the farm acreage allotment) has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable and collected at the time of marketing on each pound of tobacco marketed.

“(2) When marketing quotas established under this section are in effect the provisions with respect to penalties contained in the third sentence of subsection 314(a) shall be revised to read: ‘If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary may elect, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 per centum of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment and the penalty in respect thereof shall be paid and remitted by the producer.’

“(3) For the first year a marketing quota program established under the provisions of this section is in effect, the words ‘normal production’ where they appear in the fourth sentence of subsection (a) of such section shall be read ‘farm yield’ and the said fourth sentence shall otherwise be applicable. For the second and succeeding years a program established under the provisions of this section is in effect, the provisions of subsection (a)(8) shall apply when penalties, if any, on carryover tobacco are computed and the provisions contained in the fourth sentence of subsection 314(a) shall not be applicable.

"(h) Price support under the Agricultural Act of 1949, as amended, shall not be made available for tobacco sold in excess of the farm marketing quota (105 per centum of the farm marketing quota for the first year a national marketing quota established under this section is in effect) or for any tobacco harvested from a farm from which tobacco is harvested from acreage in excess of the farm acreage allotment."

SEC. 2. Subsection (j) of section 313 of the Agricultural Adjustment Act of 1938, as added by Public Law 361, Eighty-Fourth Congress, approved August 11, 1955, is amended by inserting immediately following the language "(g) hereof" whenever it appears in said subsection the language "or section 317".

DEPARTMENT OF AGRICULTURE,

Washington, D.C., February 4, 196 .

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your request of February 1, 1965, for a report on S. 821, a bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco.

This Department recommends that the bill be passed.

The bill provides for supplementing the present marketing quota program for tobacco which is operated on an acreage basis by the addition of farm poundage quotas. The present acreage allotment program for tobacco has been effective over the years in maintaining stable supplies with favorable prices to growers at minimum cost to the Government. However, due to substantial increases in per acre yields in recent years, excessive supplies have accumulated. For example, Flue-cured tobacco yields averaged 1,509 pounds per acre during the 5 years, 1954-58, but reached an alltime high of 2,203 pounds per acre in 1964. Likewise, burley tobacco yields increased from a 5-year average of 1,579 pounds per acre in 1954-58 to a record 2,231 pounds per acre in 1963. Research data and the records of individual farm marketings which are maintained in our county ASCS offices show that further increases in per acre yields are readily obtainable. With the reductions made in farm acreage allotments for 1965, it is expected that growers will make greater efforts to increase yields which will necessitate further reductions in acreage allotments in the years ahead.

The bill provides that within 30 days after its enactment, the Secretary shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco. The bill provides further that within 30 days after such announcement, the Secretary shall conduct a special referendum of the farmers engaged in the production of the 1964 crop of Flue-cured tobacco to determine whether they favor or oppose the establishment of farm marketing quotas on an acreage-poundage basis as provided in the bill for the 3 marketing years beginning July 1, 1965, in lieu of quotas on an acreage basis now in effect. If two-thirds or more of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in the bill will be in effect for the 3 marketing years in lieu of the marketing quotas on an acreage basis which are now in effect.

The bill provides also that whenever during the first or second year of a 3-year period for which marketing quotas on an acreage basis are in effect for a kind of tobacco, including Flue-cured, the Secretary determines with respect to that kind of tobacco that acreage-poundage quotas would result in a more effective marketing quota program for that kind of tobacco, he shall at the time of the next announcement of the amount of the national marketing quota under the present acreage allotment program determine and announce the amount of the national quota for the kind of tobacco involved as provided in the bill and at the same time announce the national acreage allotment and national average yield goal and within 30 days thereafter, conduct a special referendum to determine whether growers of the kind of tobacco involved favor the establishment of marketing quotas on an acreage-poundage basis as provided in the bill for the next 3 marketing years.

The bill is in accordance with the recommendation on this subject in the President's message on agriculture, and this Department recommends its enactment, with certain amendments indicated below. We believe that it is urgently neces-

sary to revise the present production and price stabilization programs for tobacco to provide more effective supply adjustment, expansion of exports through improvement of quality, and a reduction in costs to the Government.

We recommend that the bill be amended in subsections 317(b) and 317(c) to change the percentage of favorable votes required to make the acreage-poundage program effective, from two-thirds or more of the growers voting to more than 50 percent of the growers voting. For example, since 96.5 percent of the growers voting have approved marketing quotas for the next three crops of Flue-cured tobacco and since the vote in the special referendum would in no way change that basic decision to have marketing quotas, it is our view that a simple majority of the growers voting in the special referendum should determine whether such a program will be on an acreage basis or on an acreage-poundage basis.

We recommend further that the limitation in paragraphs 317(a) (4) and 317(a) (8) with respect to the amount of the farm marketing quota which can be carried over from one year to the next because of undermarketings be clarified. A revised draft of the bill in which these recommendations, together with minor changes, have been incorporated is enclosed.

The enactment of this bill will result in substantial savings in Government funds since it will be more effective in maintaining supplies in line with demand, thus enabling the disposition of loan stocks with minimum losses.

The President's message on agriculture also recommends that consideration be given to other revisions in the tobacco program to make American tobacco more competitive in world markets. If the Congress wishes to make the acreage-poundage choice contemplated by S. 821 available for tobacco growers for the 1965 crop, we would suggest that the Congress give prompt consideration to legislation revising this aspect of the program without awaiting the consideration of other matters.

The Bureau of the Budget advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

(S) CHARLES S. MURPHY,
Under Secretary.

A BILL To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, hereinafter referred to as the Act, is amended by adding immediately following section 316 a section 317 to read as follows:

ACREAGE-POUNDAGE QUOTAS

SEC. 317. (a) For purposes of this section—

(1) "National marketing quota" for any kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year adjusted upward or downward in such amount as the Secretary in his discretion determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of excessive supplies in order to achieve the policy of the Act.

(2) "National average yield goal" for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

(3) "National acreage allotment" means the acreage determined by dividing the national marketing quota by the national average yield goal.

(4) "Farm acreage allotment" for tobacco farm other than a new tobacco farm means the acreage allotment determined by adjusting uniformly the acreage allotment established for such farm for the immediately preceding year prior to any increase or decrease in such allotment due to under marketings or over marketings and prior to any reduction under subsection (f) so that the total of all allotments is equal to the national acreage allotment less that part of the reserve provided in subsection (e) of this section reserved for new farms with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for over marketing or under marketing and to reflect any reduction required under subsection (f) of this section.

(5) "County average yield" means in the case of flue-cured tobacco the five-year average yield of tobacco per acre in the county for the five consecutive years beginning with the 1959 crop year as determined by the Secretary and in the case of other kinds of tobacco the five-year average yield of tobacco per acre in the county for the five most recent crop years for which data are available, as determined by the Secretary.

(6)(a) "Preliminary farm yield" in the case of flue-cured tobacco means a farm yield per acre of tobacco determined by averaging the yield per acre for the three highest years of the five consecutive crop years beginning with the 1959 crop year and adjusting such yield to: (i) 130 per centum of the county average yield if the average yield so computed exceeds 130 per centum of the county average yield, or (ii) 70 per centum of the county average yield if the average yield so computed is less than 70 per centum of the county average yield.

(b) "Preliminary farm yield" means in the case of kinds of tobacco other than flue-cured, a farm yield per acre of tobacco determined by averaging the yield per acre for such of the five years used in determining the county average yield as the Secretary determines to be representative and will result in a fair and equitable relationship among farms. In determining the preliminary farm yield, the Secretary may provide maximum and minimum percentage levels in relation to the county average yield.

(7) "Farm yield" means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm prior to adjustments for over marketing, under marketing, or reductions required under subsection (f) and dividing the sum of the products by the national acreage allotment.

(8) "Farm marketing quota" for any farm for any marketing year shall be the number of pounds of tobacco obtained by multiplying the farm yield by the acreage allotment prior to any adjustment for under marketing or over marketing, increased for under marketing or decreased for over marketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if marketing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: *Provided*, That the farm marketing quota for any marketing year shall not be increased for under marketing by an amount in excess of the number of pounds determined by multiplying the acreage allotment for the farm for the immediately preceding year prior to any increase or decrease for under marketing or over marketing by the farm yield. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

(b) Within 30 days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for flue-cured tobacco for the marketing year beginning July 1, 1965 and the national acreage allotment and national average yield goal for the 1965 crop of flue-cured tobacco, and within 30 days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967, in lieu of quotas on an acreage basis in effect for those marketing years. If the Secretary determines that more than 50 per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in this section shall be in effect for those marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

(c) Whenever, during the first or second marketing year of the three-year period for which marketing quotas on an acreage basis are in effect for any kind of tobacco, including flue-cured tobacco, the Secretary in his discretion determines

with respect to that kind of tobacco that acreage-poundage quotas under this section would result in a more effective marketing quota program for that kind of tobacco he shall at the time the next announcement of the amount of the national marketing quota under section 312(b) of this Act determine and announce the amount of the national quota for that kind of tobacco under this section of the Act and at the same time announce the national acreage allotment and national average yield goal and within 30 days thereafter conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the next three marketing years. If the Secretary determines that more than 50 per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis as provided in this section quotas on that basis shall be in effect for the next three marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

(d) If marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis pursuant to subsections (b) or (c) the Secretary shall, not later than December 1 of any marketing year with respect to flue-cured tobacco, and February 1 with respect to other kinds of tobacco, proclaim a national marketing quota for that kind of tobacco for the next three succeeding marketing years if the marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect. The Secretary in his discretion may proclaim the quota on an acreage-poundage basis as provided in this section or on an acreage allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco, and shall conduct a referendum in accordance with the provisions of section 312(c) of this Act. If the Secretary determines that more than one-third of the farmers voting oppose the national marketing quotas the results shall be proclaimed and the national marketing quota so proclaimed shall not be in effect. If the Secretary proclaims the quotas on an acreage-poundage basis he shall determine and proclaim at the same time the national marketing quota, national acreage allotment, and national average yield goal for the first year of the three years for which quotas are proclaimed. Notice of the farm marketing quota which will be in effect for his farm for the first marketing year covered by the referendum insofar as practicable shall be mailed to the farm operator prior to the holding of any special referendum under subsections (b) or (c) or a referendum on acreage-poundage quotas under this subsection. The Secretary shall determine and announce the national marketing quota, national acreage allotment and national average yield goal for the second and third marketing years of any three-year period for which national marketing quotas on an acreage-poundage basis are in effect on or before the December 1 with respect to flue-cured tobacco and the February 1 with respect to other kinds of tobacco immediately preceding the beginning of the marketing year to which they apply. Whenever a national marketing quota, national acreage allotment, and national average yield goal are determined and announced the Secretary shall provide for the determination of farm acreage allotments and farm marketing quotas under the provisions of this section for the crop and marketing year covered by the determinations.

(e) No farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding five years. For each marketing year for which acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than one per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments and for establishing acreage allotments for new farms, which are farms on which tobacco was not produced or considered produced during the immediately preceding five years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop-rotation practices, soil and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms.

(f) Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage-poundage programs established under this section. The acreage reductions required under the last two sentences shall be in addition to any other adjustments made pursuant to this section, and

where acreage reductions are made the farm marketing quota shall be reduced to reflect such reductions. The provisions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production or marketings of tobacco grown on a farm for which an acreage allotment and a farm yield are established as provided in this section. In establishing acreage allotments and farm yields for other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency. Acreage allotments and farm marketing quotas determined under this section may be leased under the terms and conditions contained in section 316 of this Act, except that (1) the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields, and (2) any credit for under marketing or charge for over marketing shall be attributed to the farm to which transferred.

(g) When marketing quotas under this section are in effect provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

(1) No penalty on excess tobacco shall be due or collected until 100 per centum of the farm marketing quota for a farm (105 per centum for the first year a national marketing quota established under this section is in effect if the acreage harvested from the farm is not in excess of the farm acreage allotment) has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable and collected at the time of marketing on each pound of tobacco marketed.

(2) When marketing quotas established under this section are in effect the provisions with respect to penalties contained in the third sentence of subsection 314(a) shall be revised to read: "If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 percent of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment and the penalty in respect thereof shall be paid and remitted by the producer."

(3) For the first year a marketing quota program established under the provisions of this section is in effect, the words "normal production" where they appear in the fourth sentence of subsection (a) of such section shall be read "farm yield" and the said fourth sentence shall otherwise be applicable. For the second and succeeding years for which a program established under the provisions of this section is in effect, the provisions of subsection (a)(8) shall apply when penalties, if any, on carry-over tobacco are computed, and the provisions contained in the fourth sentence of subsection 314(a) shall not be applicable.

(h) Price support under the Agricultural Act of 1949, as amended, shall not be made available for tobacco sold in excess of the farm marketing quota (105 per centum of the farm marketing quota for the first year a national marketing quota established under this section is in effect if the tobacco harvested from the farm is not in excess of the farm acreage allotment), or for any tobacco harvested from a farm from which tobacco is harvested from acreage in excess of the farm acreage allotment.

SEC. 2. Subsection (j) of section 313 of the Agricultural Adjustment Act of 1938, as added by Public Law 361, 84th Congress, approved August 11, 1955, is amended by inserting immediately following the language "(g) hereof" wherever it appears in said subsection the language "or section 317".

Senator JORDAN. I am delighted that my distinguished colleague, Senator Ervin, is here this morning. I will be glad to have him make a statement at this time. As you know, he is a sponsor of this bill and very much interested in the tobacco program.

**STATEMENT OF HON. SAM J. ERVIN, JR., A U.S. SENATOR FROM
THE STATE OF NORTH CAROLINA**

Senator ERVIN. Mr. Chairman, I am delighted to participate in these hearings. I congratulate the Subcommittee on Agriculture, Produce, Marketing, and Stabilization of Prices for scheduling hearings on S. 821 so soon after its introduction. I presume, Mr. Chairman, that the text of S. 821, with an explanation of it and a report by the Under Secretary of Agriculture, Mr. Murphy, will be made a part of the hearing record. Accordingly, I shall not go into the particulars of this measure—S. 821—at this time.

I will say, however, that I think this bill as introduced provides a framework in which we can see real progress made toward bringing the supply and the demand for tobacco into line; in other words, bringing the production and the use in line, thereby having a more effective acreage allotment program in a reasonable relationship with the supply and demand for tobacco which is essential if we are going to have prosperity in this area of our life.

Certainly there is no problem more severe facing the farmers throughout North Carolina, and indeed throughout much of the country, than that of the Government's price stabilization program for tobacco.

North Carolina receives half, or in the last few years, sometimes more than half of its agricultural income from tobacco alone. I cannot imagine a worse economic catastrophe which could befall North Carolina than not to continue price supports on tobacco with the stability which they bring to an area which prior to that time had booms and busts, and usually busts rather than booms. We have witnessed in the tobacco fields the efficiency of the American farmers. As the chairman of the subcommittee stated a moment ago, we are confronted with the fact that we have approximately 1 billion pounds of Bright Leaf tobacco on hand now over and above our present requirements. It is interesting to note what has happened in the production of tobacco.

We have in North Carolina three belts in which Bright Leaf tobacco is grown. One is the old and middle belt which is south of Danville, Va., and down through that area of North Carolina. In 1939, the last year in which we had no price supports of tobacco there were 320,000 acres planted to tobacco. The yield per acre was 890 pounds, and the total production was 284,800,000 pounds. Last year the old middle belt planted instead of 320,000 acres, 164,000 acres, and instead of the yield of 890 pounds there was a yield of 2,150 pounds per acre. We had a total last year of 352,600,000 pounds as compared with 284,800,000 pounds in 1939.

Then the border belt in 1939, the last year in which there were price supports, we planted 98,000 acres and produced 1,005 pounds per acre, a total of in excess of 98 million pounds.

In 1954, with 50,000 acres planted instead of 98,000, there was a production of 2,350 pounds per acre, making a total production of over 117 million pounds.

In the largest one of our belts, the eastern belt, in 1939 we planted 425,000 acres and produced 1,010 pounds per acre, making a total of 429 million pounds. In 1964, with less than half the same amount of

acreage, 202,000 acres, and a production per acre of 2,375 pounds, we produced over 479 million pounds of tobacco.

This illustrates the efficiency of the American farmer.

Moreover, with the emphasis being placed upon pounds rather than anything else, we have had a tendency in some instances to have the quality of our tobacco go down rather than maintaining the quality which sells at the best rates. I think the Government could do well to do something for tobacco, because tobacco has done so well by the Government. Until recently the tobacco program had been highly successful in all respects. This went into effect in 1933. The tobacco program has cost the Federal Government approximately \$330 million since then, which is a small amount as compared with what all of our farm programs have cost us. All our farm programs in the aggregate have cost over \$15 billion, as against the \$330 million that tobacco has cost the Government. Unlike these other programs, tobacco has brought great revenue into the Federal Treasury and into the State and local treasuries. Since 1933 the taxes paid by tobacco to the Federal Government on excise taxes and State and local governments in like taxes have been more than \$52 billion. Federal excise taxes alone have exceeded \$39 billion.

Mr. Chairman, I would like to insert my entire statement in the record without reading it all. I would like to emphasize that I do not think that this bill is necessarily a perfect bill by any means, but I do think that it provides the basic framework within which the most probable solution of this problem of bringing the supply of tobacco into line with the demand could be met. I sincerely trust that the committee will study the bill carefully and bring forth a bill which will give the tobacco growers an opportunity to say whether they wish to abandon the sole basis of controls, the acreage allotment basis, and take a combination of acreage allotment and poundage allotments, as this bill provides.

This bill does not force anything upon the tobacco grower but it merely gives him an opportunity to see if this remedy will not afford him a solution to the problem which now faces him and threatens many with a rather disastrous economic future.

(Senator Ervin's statement in full is as follows:)

Mr. Chairman, I am delighted to participate in these hearings. I congratulate the Subcommittee on Agriculture, Produce, Marketing, and Stabilization of Prices for scheduling hearings on S. 821 so soon after its introduction. I presume, Mr. Chairman, that the text of S. 821, with an explanation of it, and a report by the Under Secretary of Agriculture, Mr. Murphy, will be made a part of the hearing record. Accordingly, I shall not go into the particulars of this measure—S. 821—at this time.

Certainly, there is no problem more severe facing the farmers throughout North Carolina, and indeed throughout much of the country, than that of the Government's price stabilization program for tobacco.

Today, the entire tobacco program, which has worked so well in the past, is being threatened by the increased annual production of tobacco leaf. For example, Flue-cured tobacco yields averaged 1,509 pounds per acre during the 5 years, 1954-58, but reached an alltime high of 2,203 pounds per acre in 1964. Likewise, burley tobacco yields increased from a 5-year average of 1,579 pounds per acre in 1954-58 to a record 2,231 pounds per acre in 1963. Records of county ASCS offices indicate further increases in per-acre yields can be easily produced.

With each reduction made in farm acreage allotments, growers make greater efforts to increase yields which will necessitate further reductions in acreage allotments in the years ahead. Also, the quality of tobacco has suffered from this natural emphasis, under the present program, on quantity of production. This decline in quality weakens our ability to compete in the world tobacco market.

It is becoming more evident that acreage controls alone cannot effectively curtail this growing tobacco surplus. This proposal (S. 821) takes a step toward a cure for these ills by providing for acreage-poundage marketing quotas for tobacco.

Despite the aforementioned problems, the tobacco program has provided State and Federal Governments with considerable revenue at relatively small costs. Since it went into effect in 1933, it has cost the Federal Government approximately \$38.9 million in price supports. This is indeed a small expenditure when compared to the cost of the Government's other parity programs, which have cost the taxpayers over \$15 billion during this period. By the same token, this expenditure is quite insignificant when one realizes that the total Federal and State excise tax revenues stemming from the tobacco industry since 1933 have aggregated more than \$52 billion. Federal excise taxes alone have exceeded \$39 billion—considerably more than twice the cost of all Federal farm subsidy programs, and 118 times the cost of the tobacco program. In other words, the Federal Government has realized a return of almost 12,000 percent on the amount it has spent to implement the tobacco program.

In cosponsoring this legislation, I did not necessarily feel that the proposal would provide a panacea for the many problems confronting the tobacco farmer. I felt then, as I do now, that these problems are of such importance that they deserve the earliest possible attention by the Congress. Accordingly, I joined in introducing this legislation, and in urging that early hearings be held on it, so that we might bring to the Congress the most knowledgeable people in the country to review this proposal and the overall program for the production and price stabilization of tobacco.

As a result of these hearings, I am hopeful that there will evolve legislation, which will not only provide for a more effective supply adjustment, but also will expand tobacco exports through improvements of quality and a reduction in costs to the Government. This problem area requires an early and effective solution.

Any program proposed should not become effective, however, until such time as the tobacco farmers themselves have had an opportunity to vote upon it, and then only if two-thirds of the voters concur that such a program would be beneficial to their industry.

Mr. Chairman, I congratulate you and the members of your subcommittee upon the fine work which you are doing here today, and will, I know, continue to do in the days ahead. I shall follow these hearings closely, and work with you in any way that I can to produce a solution acceptable to the tobacco farmer to the problems he and the Nation face.

Senator JORDAN. Thank you very much, Senator Ervin. Your entire statement will be made a part of the record.

We are delighted that Senator Ellender took time out of his busy schedule to be with us this morning. There is no man in the Senate more interested in agriculture than Senator Ellender. They do not grow much tobacco in his State, if any, but he is interested in every farm program that comes under his committee, and especially if it is costing the taxpayers any money. It is a good way to look at the program, because we should look at it from that standpoint.

We will be glad to have a word from Senator Ellender this morning. I might add that when we introduced this bill and asked for prompt action, he called the committee together. There was a meeting, and he promptly went along with this subcommittee to start these hearings, because he realizes that this is a matter of urgent importance.

Senator ELLENDER. I am glad to be here this morning. I must attend a conference at 10:30. The Commodity Credit Corporation needs a few billion dollars to continue its support operations, and last night the Secretary of Agriculture announced that the Commodity Credit is out of business for lack of money, so we have got to provide it. That is why I am sorry I cannot be here all day with you. However, you are in good hands. As chairman of the Rules Committee, I am glad to see that my good friend from North Carolina was able to obtain this fine big room to hold the hearings. Usually we hold

them in the small room, our regular room designated as the Committee on Agriculture.

It was my privilege to address a few tobacco farmers in North Carolina this last year. In fact, I spoke in Raleigh, N.C., in 1963 and in Marion, S.C., in 1964. Both of these speeches, of course, dealt with tobacco. I do not know of any segment of our farming community that has been better able to resolve their problems than the tobacco people.

I am very hopeful that the tobacco growers will be able to come before the committee with a more or less unanimous approach. That is the way you have done it in the past, and you have caused us, as members of this committee, very little trouble. You know, we on the committee have quite a problem in getting the members to think along the same line when we are confronted with farm organizations offering different views on how to handle our major crops. It makes it more difficult for us.

The point is that if the farmers cannot get together, how do you expect the Senators to get together on a bill. But I am proud to say that that has not been the case with respect to the growers of tobacco. You have always settled your differences before you came to us, and I am very hopeful that you will be able to follow this same pattern in the future. You may rest assured that I shall cooperate to the fullest extent with your good Senators from North Carolina, those from Virginia, Georgia, and Kentucky who produce a lot of tobacco. The only tobacco we produce in Louisiana is this perique. It is rather strong and it is grown on about 150 acres in Louisiana. There is no problem there.

But in any event I want to assure you that this committee will give your views full consideration, and I hope that we can come out with a bill that will redound to the benefit of the tobacco growers of the Nation.

Thank you.

Senator JORDAN. Thank you very much, Senator, and we very much appreciate your taking time to be with us.

We are mighty glad to also have Senator Talmadge with us from Georgia. Georgia is one of our great tobacco producing States. Senator Talmadge is one of the valued members of the Agriculture Committee and is very much interested in the tobacco program.

We will be glad to hear from you, Senator Talmadge. You also have Mr. Lanier here from your State.

Senator TALMADGE. Yes, Mr. Chairman. I have no particular statement I would like to make at this time. All of the tobacco farmers in Georgia and other States are gravely concerned about the future of the tobacco program, and particularly the vast reduction they have had in their acreage in recent years. Most of the acreage allotments in Georgia are very small. I think they average only about 2 acres, and it is a principal source of income for approximately 40,000 farmers in Georgia. So it is a matter of very grave concern for them, and I hope some of our Georgia farmers, along with other farmers, will appear here and make their views known on this question.

We had a similar bill proposed in 1957, and we went to the grassroots at that time, and I think it might be wise to do so this time to get the views of the farmers themselves in the area where they produce the tobacco and their reaction to this particular program. It is difficult

if not impossible for a tobacco farmer to come to Washington and make his views known. Mr. Lanier, of course, has had wide experience in Georgia's agriculture, and he is the president of the Georgia Farm Bureau and a tobacco producer himself, and I am sure that he will give us some views that will probably comport with a substantial number of the tobacco farmers of our State. We do have a serious and grave problem confronting us, and I hope that the producers along with the other segments of the tobacco industry can come up and present a program with some unanimity of all of those affected in order that this committee and the Congress may take some prompt action on this great problem.

Senator JORDAN. Thank you very much, Senator.

We also have another one of our valued members of the Agriculture Committee, Senator Cooper from Kentucky. While the bill is not particularly directed at burley tobacco, it does carry a provision which would let the burley growers participate if at any time they decided they needed to and they could have a referendum of their own.

Senator Cooper is very much interested in tobacco and always has been. He has helped defend the tobacco program more than once when it appeared to be getting into trouble. I remember, I believe it was last year, when all of a sudden an amendment was introduced on the floor, and we did not even know it was coming up, to abolish the program entirely, and I just happened to be on the floor. Senator Cooper, Senator Ervin, and Senator Talmadge, I believe, were the only ones we could reach immediately, and we defeated that amendment.

I am always delighted to have Senator Cooper associated on any of these bills that we have a part in, and we will be glad to hear from you, Senator Cooper.

Senator COOPER. Thank you, Senator Jordan. I join with other members of our committee in commending you for calling hearings so promptly to consider this bill. The bill before us is an important bill, and not alone to the growers of Flue-cured tobacco. It is important also to the growers of burley tobacco, dark tobacco, and all types of tobacco.

The State of Kentucky does produce, as you know, the largest volume of burley tobacco. It also produces considerable quantities of Dark-Fired and Dark Air-cured tobacco. And, as you said, while this bill would apply immediately to Flue-cured tobacco, it also deals with burley and other types of tobacco, because it would authorize the Secretary of Agriculture to apply acreage-poundage controls to the 1966 or later crops of all other types of tobacco, subject to the approval of tobacco growers.

I emphasize what others have said: that tobacco is a vital crop for literally thousands of farmers. I know in my own State it is the very bedrock of farm income for thousands of farmers. In many small communities of my State and yours, it is the great source of sustenance for hundreds of small businesses, and I may say, many banks. As Senator Ervin said, it is also a source of large tax revenues for our States and the Nation.

Our tobacco program is in difficulty. Tobacco is now—after wheat, corn, and cotton—the fourth largest crop held in Government stocks or stored under Government loan. It will be criticized because of that fact.

We know also that it has become a subject of controversy because of the report of the Surgeon General on smoking and health. I do not agree with all of his findings, but nevertheless it is a fact that that report caused efforts to be made in the Congress of the United States in the last year, as Senator Jordan has said, to actually abolish the price-support program for tobacco farmers. That effort was defeated, but I expect further attacks. We know that some of the regulatory commissions have proposed restrictive measures against the marketing of tobacco products, and other agencies within the executive department are making proposals. I mention these facts because they bear on the necessity of keeping the tobacco price-support program sound and emphasize the importance of this bill.

I want to hear all of the testimony on this bill. I believe strongly that tobacco farmers and their representatives should have full opportunity to express their opinions about it—and I must say I think they should do so before the bill itself is approved. Because after the bill is passed one can only argue with the Secretary of Agriculture about how its specific provisions are to be put into effect. I think the acreage-poundage proposal may be a step in the right direction, but I reserve my opinion on this bill until I am sure that the special problems of burley tobacco and of Dark Fired and Dark Air-cured tobacco are covered. Also, as I have said, I want very much that farmers in my State—the actual tobacco growers—have a chance to express their opinions about the bill as its provisions would affect burley and the dark tobaccos.

Senator JORDAN. Thank you very much, Senator. I am delighted that I can produce to this fine audience here this morning a small segment of the agriculture group of North Carolina, South Carolina, Georgia, Florida, Virginia—I think that covers most of them, Senator Miller of Iowa. I do not think they grow much tobacco in Iowa but they grow a lot of other things that are under price support, too. They grow a little corn out there, if you have ever heard of that. Most of it comes out in grain form.

Senator Miller is a new member on the Agriculture Committee and a new member of this subcommittee, and we are delighted to have him on this committee. He has served on another committee with me, and he is a very fine member of this Agriculture Subcommittee. We will be glad to hear a word from you Senator Miller.

Senator MILLER. Thank you, Mr. Chairman, for those very fine comments.

As you said, we do raise very little tobacco, but I can take an objective view on legislation such as this. I do want to say that there is a great difference between the approach I think that should be taken between crops such as tobacco, which are used for personal consumption, and crops such as feed grains, which are used for livestock production. There being the difference there, I have long recognized the difference in approach in legislation.

I am very happy to be on this committee with you, Senator, and I look forward to serving with you with the same pleasure I had during my last tenure with you a couple of years ago.

That is all I care to say at this time. Thank you.

Senator JORDAN. Thank you very much.

We are fortunate this morning in having Mr. Charles Murphy, Under Secretary of Agriculture, with us on this opening session of

the committee. Mr. Murphy has always cooperated with me and with every other member of the Agriculture Committee. I have talked to him about this tobacco bill. Last week I asked him if he could be ready to be here today, and he said, "I will be ready, and I will be there."

I think that he, representing the Department, realizes the urgency of this legislation.

Mr. Murphy, we are delighted that you have made the necessary effort to get here this morning and as early as you did, because this bill has not been introduced very long, and your Department has had to really move fast on it. Thank you very much. We will be glad to hear from you at this time.

STATEMENT OF HON. CHARLES S. MURPHY, UNDER SECRETARY OF AGRICULTURE

Mr. MURPHY. Thank you, Mr. Chairman.

I am very glad to have this opportunity to be here. I have with me a number of colleagues from the Department of Agriculture. I have also a prepared statement. If it meets with the approval of the committee, I would be glad to first present the prepared statement and then my colleagues and I will be glad to answer as best we can any questions that the committee might have.

Senator JORDAN. Would you like to have your full statement put in the record at this point?

Mr. MURPHY. I would be very happy to have it put in the record. I would be glad to read it if it meets with the approval of the committee.

Senator JORDAN. Of course. It will be inserted in the record at this point and you can handle it in any way you like. You can read it, or you can scan it, or you can call on your associates or handle it in any way you would like, but we do want a good and full explanation from the Department.

Mr. MURPHY. I think it might be desirable, Mr. Chairman, if I would read the statement, or certainly most of it.

Senator JORDAN. Fine.

Mr. MURPHY. Some parts of it are fairly technical, and we might omit them as we go along.

Senator JORDAN. All right. Thank you, sir.

Mr. MURPHY. Mr. Chairman and members of the committee, I am Charles S. Murphy, Under Secretary of Agriculture. I have with me Horace Godfrey, Administrator of the Agricultural Stabilization and Conservation Service; Claude Turner, Director, Tobacco Policy Staff, ASCS; Howard Rooney, from our Office of General Counsel; Arthur Conover, of our Economic Research Service; and Hugh Kiger, from our Foreign Agricultural Service.

We are glad to appear before this committee to present the Department's views with respect to S. 821, a bill to provide for acreage-poundage marketing quotas for tobacco.

As the title of the bill indicates, it provides for acreage-poundage marketing quotas for tobacco. I want to point out first though, that acreage-poundage quotas would not go into effect unless there is a favorable vote by the tobacco producers.

The bill authorizes and directs the Secretary to determine and announce an acreage-poundage program for Flue-cured tobacco within 30 days following its enactment. It also directs the Secretary to conduct a referendum to determine whether growers favor or oppose marketing quotas on an acreage-poundage basis in lieu of the present acreage basis. Thus, the final decision as to which program is to be in effect rests with the growers themselves. The Department is in full accord with this principle.

I would like to comment briefly about the present marketing quota program for tobacco which has been in effect for the principal kinds of tobacco continuously during the past 25 years on an acreage basis. There are some kinds of tobacco, of course, where marketing quotas have never taken effect, but they are not the larger kinds. It has received the wholehearted support of all segments of the tobacco industry—growers, warehousemen, dealers, exporters, and manufacturers. The support of the growers for the program in the major kinds of tobacco has been shown by their votes in referendum after referendum. Often, as many as 97 for 98 percent of the growers voting have favored quotas. In the last burley referendum, 99.2 percent of the growers voting favored quotas on the 1962, 1963, and 1964 crops.

The tobacco program has often been referred to as the most successful farm program we have. For many years the present acreage allotment program for tobacco worked reasonably well in maintaining supplies in line with demand. Prices received by tobacco growers have been favorable. Costs to the Government for price supports on tobacco have been held to a minimum. In fact, for many years, price supports on tobacco operated with no costs at all to the Government. For a number of years, the steadily increasing demand for tobacco used in the manufacture of cigarettes tended to offset increased per acre yields. Also, prices trended upward, enabling the producer association operating the support program to dispose of their holdings at prices which would enable them to repay their loans from CCC.

In recent years, however, excessive supplies of tobacco have accumulated because of accelerated increases in per acre yields on some kinds of tobacco, especially for Flue-cured and burley—which account for about nine-tenths of our total tobacco production. Let me cite a couple of examples. During the 5 years, 1954–58, Flue-cured tobacco yields average 1,509 pounds per acre. In 1964, Flue-cured yields are estimated to have averaged 2,203 pounds per acre, an increase of 46 percent. Another illustration—the 1964 crop of Flue-cured tobacco was 5 percent larger than the 1954 crop, notwithstanding the fact that the acreage grown in 1964 was 40 percent less than the 1954 acreage.

The burley story is quite similar. Burley yields averaged 1,579 pounds per acre in 1954–58, but increased to an alltime high of 2,231 pounds per acre in 1963. Unfavorable weather conditions prevailed in parts of the burley-producing area in 1964 but yields still averaged over 2,000 pounds per acre—second only to the 1963 record.

It is clear that we have by no means reached the limit in yields per acre. Research conducted by both the Department and by the land-grant colleges clearly shows that further increases in per-acre yields are readily obtainable. The records of individual farm mar-

ketings which are maintained in our county ASCS offices disclose numerous instances of yields as high as 3,500 pounds per acre, with some running even higher.

With the further reductions which have been made in farm acreage allotments for 1965, it is only natural that farmers will seek to obtain maximum production from their allotted acreage by making even greater efforts to increase yields per acre.

Thus, we are in a continuous spiral. Further increases in per acre yields require further reductions in acreage which in turn stimulate further increases in yields. Caught in this vise, each farmer must compete with each other farmer in a hectic race to increase per acre yields so that he can maintain his share of the market.

But as bad as that may be, there is another factor that is even worse. With increased yields per acre, the quality of U.S. grown tobacco has deteriorated and we have lost more of the export market for our tobacco. There are those who feel that we should not admit that the quality of our tobacco has deteriorated in recent years. This is no secret, however, to those who have examined out tobacco as it is displayed on the warehouse floors. As you gentlemen know, all tobacco offered for sale on our auction markets is graded by trained Federal graders. During the 5 years, 1946-50, 31.1 percent of Flue-cured tobacco marketed in the United States was placed in first, second, and third qualities by USDA inspectors. During the 5 years, 1956-60, only 14.4 percent was placed in the first three qualities. For the 1962 crop, only 10.3 percent, or about one-third as much as in 1946-50, was graded into the first, second, and third qualities. Since Government grade standards for Flue-cured tobacco were substantially revised in 1963, comparable data for the 1963 and 1964 crops are not available.

Tobacco grown in the United States over the years has been noted for its superior quality. It has been the hallmark of quality in world tobacco trade. Historically, there has been a strong consumer preference for tobacco products made from U.S. leaf. High-quality cigarettes in most countries of the world have been made solely from U.S. leaf or blends of U.S. leaf with domestic or other imported leaf.

The United States has the soil, climate, research program, and know-how to produce tobacco far superior in quality to that produced in any other area of the world. U.S. leaf has excelled in nearly all phases of smoking and manufacturing qualities, including flavor and aroma.

Flue-cured tobacco has become of increasing importance in world tobacco trade since the end of World War II, and now accounts for around 50 percent of all free world tobacco exports of leaf tobacco. In spite of increased demand for Flue-cured from world markets, the U.S. export level has remained relatively constant at about 450 million pounds annually. During this period, our competitors have been moving larger and larger quantities into world trade.

In 1950-54, an average of about 670 million pounds of Flue-cured tobacco moved from free world countries. Of this total, the U.S. share was about 66 percent. During 1955-59, when an average of nearly 780 million pounds were being exported by free-world countries, the U.S. share was 60 percent.

For 1960-64, the U.S. share was only a little over 50 percent, and based on preliminary data, the U.S. share in 1964 was only 45 percent.

Last year Rhodesia, India, and Canada all had record exports of Flue-cured tobacco.

In recent years, many foreign manufacturers and importers have stated that there has been a decline in the quality of U.S. Flue-cured leaf. They point out that much of this decline in quality has been due to the present acreage control program, which results in grower emphasis on increasing yields, which on many farms has resulted in production of relatively lower quality leaf.

Mr. Chairman, I would like to present two recent letters we have received. One is from the chairman of the tobacco advisory committee in the United Kingdom and the other from the president of the Japan Monopoly Corp. Copies of these letters are attached to my prepared statement.

Senator JORDAN. It is so ordered.

(The letters referred to are as follows:)

LONDON, S.W.1, *October 30, 1964.*

HON. ORVILLE L. FREEMAN,
*Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.*

DEAR SIR: The United Kingdom has been a large consumer of American tobacco for a great many years, but in recent years it has become more and more difficult for us to fulfill our requirements from the Flue-cured crop. This season the quality of the crop, in particular in the eastern North Carolina belt which is usually the source of a large part of our requirements, has been exceptionally poor. We believe that the seriousness of the position is now becoming clear to all sides of the industry in the United States.

This situation appears to be the result of a series of undesirable cultural practices, which in part at least, are the result of the present arrangements for controlling the size of the crop. Unless measures are taken to remedy the situation, the United States may be in danger of losing some part of this export market, and we are writing this letter in the hope that you will be able to bring about some change for next year.

Our representative, Mr. D. A. Coulson of the Imperial Tobacco Co. Ltd., Richmond, Va., is fully conversant with the problem and would be happy to enlarge on the situation which has arisen this year if you wish him to do so.

Yours faithfully,

SIR ALEXANDER MAXWELL,
Chairman, Tobacco Advisory Committee.

TOKYO, JAPAN, *January 19, 1965.*

HON. ORVILLE J. FREEMAN,
*Secretary of Agriculture,
Washington, D.C.*

Sir: The Japan Monopoly Corp., sole maker of cigarettes and other tobacco products in Japan, has been importing American Flue-cured tobacco for half a century, for the purpose of manufacturing high quality cigarettes, blending with the Japanese grown tobacco. You are aware of a remarkable upward trend in this business recently.

I am informed, of late, that a 19.5-percent cut in acreage of Flue-cured tobacco is decided for 1965 in the United States.

Upon this decision which may give serious effects on our future importing policy, please allow me to state frankly to you my stand of view:

If the acreage is reduced as informed, the growing of unfavorable tobacco varieties, the excessive density of plant population, the overuse of fertilizer and the use of improper insecticide, fungicide, and sucker-control chemicals are feared to be prevailed, and make the qualities lower, unless any rigorous and strict controls are put into effect in regard to the yield.

The qualities of the American Flue-cured tobacco have been getting poorer in these 3 or 4 years, in spite of an increasing trend in price. As a result, it is becoming more and more difficult to get the tobacco we really want. Our aim is to

manufacture the cigarettes rich in taste and flavor. So we have imported and are intending to import the American Flue-cured tobacco, recognizing well prices are rather higher than the tobaccos of other countries.

We are apprehending seriously that the above-related reasons may happen to oblige us to seek other sources of supply.

I would appreciate very much, if you would kindly reconsider the problem in taking into consideration our point of view and endeavor to cooperate for the betterment of the trade relation of our two countries.

Yours very truly,

TAIJI SAKATA,
President, the Japan Monopoly Corp.

Mr. MURPHY. Let me say the United Kingdom imports about 150 million pounds of U.S. leaf annually and Japan 30 million pounds.

Although the present marketing quota program for tobacco operated well for many years, the need for changing it has now become urgent. I wish to point out to the committee that this matter has been under extensive study and review for many years. Public Law 96 of the 84th Congress, approved June 28, 1955, directed the Secretary of Agriculture to study alternative methods for controlling the marketings of burley tobacco, and to submit to the Congress a report by November 1, 1955. In compliance with this law, the Department solicited comments and suggestions from farm organizations, producer cooperatives, other agricultural agencies and land-grant colleges. In addition, six public hearings were held at different locations in the burley producing area to afford interested growers, farm organizations, and other agencies an opportunity to express their views. Following these hearings and extensive study, the Department forwarded a report to the Congress. This report was printed by this committee and received wide distribution. One of the alternative methods discussed in this report was a combination farm acreage and poundage quotas not unlike the one provided in S. 821.

A subcommittee of this committee held six public hearings in Florida, Georgia, South Carolina, and North Carolina in March and April 1957, on S. 1219, a bill to authorize a system of acreage-poundage allotments for tobacco.

The National Agricultural Advisory Commission—a distinguished bipartisan group of leaders in agriculture and related fields appointed by the President to advise the Secretary of Agriculture on matters of farm policy and the administration of farm programs—on November 13, 1964, issued a broad-range report entitled "Farm Policy in the Years Ahead," which included comments and recommendations on tobacco. The summary recommendation on tobacco was as follows:

To meet the serious quality problem now existing for some leading types of tobacco and to hold production of the crop more firmly in line with utilization we recommend the use of poundage quotas rather than acreage controls. While this appears desirable for all types under the Government program, the need is more pressing for some types than for others. Accordingly, the change in method of control should be made possible on a type-by-type basis. Attention should also be paid to the role of price in our failure to participate in the growing foreign market for tobacco. Further price increases under existing legislation are of dubious value. A self-financing two-price plan is a possible means of dealing with this situation.

We also have a National Tobacco Industry Advisory Committee appointed by the Secretary of Agriculture to advise on tobacco problems. This committee, composed of 44 members representing all types of tobacco and all segments of the industry, met in Washington,

D.C., on November 18 and 19 to consider short-range and long-range problems facing the tobacco industry.

I would like to offer for the record the membership of this committee.

(The membership list referred to is as follows:)

MEMBERS OF THE NATIONAL TOBACCO INDUSTRY ADVISORY COMMITTEE,
FEBRUARY 5, 1965

Name, address, and biographical information

- Charles F. Adams, Java, Va.: Manager of several Flue-cured tobacco farms. Floor manager of Big Sale Tobacco Warehouse, Danville, Va. Member of County School Board, Pittsylvania County.
- Ray A. Baker, 722 Smith Street, Timmons ville, S.C.: President, South Carolina Warehouse Association.
- William D. Black, Sr., Route 6, Lexington, Ky.: Owner and operator of Burley tobacco farm. Has taught agriculture at Kentucky State College and served as its farm manager.
- Jerome L. Blaska, Route 2, Sun Prairie, Wis.: Owner and operator of 500-acre cigar tobacco farm. Member of Wisconsin State Legislature, where he has served as vice chairman of agriculture committee.
- Crate Boyd, Route 1, Boaz, Ky.: Owner and operator of 215-acre burley, Fire-cured, and dark air-cured tobacco farm. Director, Western Dark Fired Tobacco Growers Association.
- Aubrey J. Brown, University of Kentucky, Lexington, Ky.: Chairman, Department of Agricultural Economics, University of Kentucky.
- Albert G. Clay, Post Office Box 363, Mount Sterling, Ky.: President, Burley Auction Warehouse Association. Owner and operator of burley tobacco farm. President of Farmers Tobacco Warehouse Co., Inc., and Growers Warehouse Co., Inc. Member, Board of Directors, Federal Reserve Bank of Cleveland, Ohio.
- Thomas Daniel, Route 2, Wilson, N.C.: Owner and operator of 300-acre Flue-cured tobacco farm. Chairman, Wilson County Board of Commissioners.
- Alonzo C. Edwards, Hookerton, N.C.: Owner and operator of 1,200-acre Flue-cured tobacco farm. Chairman, board of directors, Tobacco Associates.
- Edward Y. Floyd, Post Office Box 1967, Raleigh, N.C.: Owner and operator of 410-acre Flue-cured tobacco farm. Director, Plant Food Institute of North Carolina and Virginia, Inc.
- Richard W. Gannaway, Route 3, Cumberland, Va.: Owner and operator of 600-acre Fire-cured tobacco farm. Supervisor of Robert E. Lee Soil Conservation District, Member of Virginia Dark Fired Tobacco Growers Association.
- John M. M. Gregory, Jr., Box 1414, Fifth and Franklin Streets, Richmond, Va.: Manager, American Organization, the Imperial Tobacco Co.
- Thomas E. Guthrie, Route 1, Cross Plains, Tenn.: Owner and operator of 294-acre burley, Fire-cured, and dark Air-cured tobacco farm. Has been county agricultural extension agent in Tennessee. He represents dark fired tobacco growers on the Farm Labor Advisory Committee, Employment Security, Tennessee.
- Claude T. Hall, Roxboro, N.C.: Owner and operator of 2,800-acre Flue-cured tobacco farm. Member of North Carolina Board of Agriculture. Has served as assistant commissioner of agriculture in North Carolina.
- Spencer B. Hanes, Jr., R. J. Reynolds Tobacco Co., Winston-Salem, N.C.: Executive vice president of R. J. Reynolds Tobacco Co.
- J. Preston Harrell, Route 1, Stantonsburg, N.C.: Owner and operator of a Flue-cured tobacco farm. Member of board of directors, Stantonsburg Bank & Trust Co.
- Joseph W. Holliday, Gallivants Ferry, S.C.: President of Pee Dee Farms Corp., which produces Flue-cured tobacco. Director of South Carolina National Bank. Trustee of Furman University.
- Joseph Y. Honeycutt, 1600 West Hill Street, Louisville, Ky.: Vice president of Brown & Williamson Tobacco Corp.
- Robert Earle Jones, 1530 Gorrell Street, Greensboro, N.C.: Director, extension staff of A. & T. College of North Carolina.
- William D. Juett, Route 6, Frankfort, Ky.: Owner and operator of 450-acre burley tobacco farm. Director of Franklin County Soil Conservation District.

- Kenneth R. Keller, North Carolina State College, Raleigh, N.C.: Assistant director, research in charge of tobacco, North Carolina State College.
- Stanley S. Keyser, 529 Fifth Avenue, New York, N.Y.: President, Consolidated Cigar Corp.
- Benedict A. Kupehunos, 390 Avery Street, Wapping, Conn.: Vice president of Kupehunos Bros., Inc., a large family-operated cigar tobacco farm. Partner in Kupehunos Bros. farm. President of Conn-Mass Tobacco Cooperative.
- R. L. Traylor Larus, 22d and Cary Streets, Richmond, Va.: Member, board of directors, Larus & Bro. Co., Inc.
- George W. Macon, Jr., Post Office Box 1895, Richmond, Va.: Vice president, Philip Morris, Inc.
- Clarence W. Maloney, Sr., Route 3, Madisonville, Ky.: Owner and operator of 300-acre dark Air-cured and burley tobacco farm. President of Stemming District Tobacco Association (grower cooperative). Has served as State senator in Kentucky Legislature.
- Hugh J. Moser, Route 2, Jefferson City, Tenn.: Owner and operator of burley tobacco farm.
- David L. Newton, Route 2, Norman Park, Ga.: Owner and operator of 350-acre Flue-cured tobacco farm. Member of Georgia General Assembly since 1957 where he is serving on agriculture, appropriation, and education committee.
- Barnie L. O'Quinn, 204 East Jarman Street, Hazelhurst, Ga.: Owner and operator of 1,500-acre Flue-cured tobacco farm. Owner and operator of a Flue-cured tobacco warehouse.
- John D. Palmer, 1025 Connecticut Avenue NW., Washington, D.C.: President, Tobacco Associates, Inc., an organization to promote the use of Flue-cured tobacco.
- Fred S. Royster, Post Office Box 295, Henderson, N.C.: Managing director, Flue-Cured Bright Belt Warehouse Association, Inc. Joint owner and operator of 300-acre Flue-cured tobacco farm. Member of North Carolina State Senate, where he is serving as chairman of committee on agriculture.
- D. E. Scaff, Route 1, Jennings, Fla.: Owner and operator of 326-acre Flue-cured tobacco farm.
- Malcolm B. Seawell, Post Office Box 1288, Raleigh, N.C.: Executive secretary and general counsel for Tobacco Association of United States and Leaf Tobacco Exporters Association, Inc.
- Dudley Smith, Mitchellville, Md.: Owner and operator of 200-acre Maryland tobacco farm. Director of Maryland Tobacco Cooperative.
- Frank B. Snodgrass, 1025 Connecticut Avenue NW., Washington, D.C.: Vice president and managing director, Burley & Dark Leaf Tobacco Export Association, Inc., an organization to promote the use of burley and dark leaf tobacco.
- J. Brantley Speight, Box 423, Winterville, N.C.: Owner and operator of a large Flue-cured tobacco farm. Partner in Speight Seed Farm, which produces tobacco, corn, and soybean seed.
- William L. Staton, Sr., Post Office Box 860, Lexington, Ky.: Executive secretary-treasurer, Burley Tobacco Growers Cooperative Association, Inc.
- Fred M. Taylor, Post Office Box 921, Danville, Va.: Director of leaf purchases, P. Lorillard Co.
- Robert L. Taylor, L. & M. Tobacco Co., Durham, N.C.: General manager of leaf department, Liggett & Myers Tobacco Co.
- George L. Turner, 2401 East Main Street., Post Office Box 6-P, Richmond, Va.: President, American Suppliers of the American Tobacco Co.
- James E. Warren, Route 2, South Hill, Va.: Joint owner and operator of 1,500-acre Flue-cured tobacco farm. Has served as member of the Governor's Commission of the Industry of Agriculture.
- Clyde N. Wayne, Brunswick, N.C.: Owner and operator of 412-acre Flue-cured tobacco farm. Member of board of directors of First National Bank of Whiteville and Peoples Savings & Loan Association.
- L. T. Weeks, 522 Fayetteville Street, Post Office Box 2718, Raleigh, N.C.: General manager, Flue-Cured Tobacco Cooperative Stabilization Corp.
- W. S. Williams, Jr., Middlesex, N.C.: Owner and operator of Flue-cured tobacco farm. Served as member of Nash County Board of Education.
- John C. Williamson, Route 1, Knightdale, N.C.: Joint owner and operator of Williamson Farms, Inc., which produces Flue-cured tobacco. President of Flue-Cured Tobacco Growers Association, Inc.

Mr. MURPHY. Committee members considered the supply-and-demand situation for different kinds of tobacco, both in the United

States and abroad. The need to bring supplies into a better balance with demand—particularly for Flue-cured tobacco—was emphasized. Members recommended that the Secretary of Agriculture announce a quota for Flue-cured tobacco that would make a significant contribution toward bringing supply and consumption into better balance.

The committee felt that Congress should make some revisions in the tobacco program to “enable it to cope with today’s problems in the tobacco industry.” The committee recommended that a study group be named to work on ways the tobacco program should be changed.

The committee also recommended a study group to continue working on the problem of the relation between Government grades and the level of price support.

The committee again strongly urged all tobacco growers to select varieties and use cultural practices which produce the mature, open-faced grainy tobaccos with full flavor and aroma which are in demand by domestic and foreign users.

The committee asked the Department to seek methods for making U.S. tobacco more competitive in price in world markets so that it could regain its traditional share of the world market.

In line with the recommendation of the Advisory Committee, the Secretary appointed a task force to study and recommend changes in the present acreage allotment program for tobacco.

After careful study and deliberation, the task force reported back to the full Advisory Committee.

The National Tobacco Industry Advisory Committee discussed the report of the task force thoroughly and recommended that steps be taken to secure adoption of an acreage-poundage method for stabilizing production. It was felt that this method would provide a more effective control over the total volume of marketings and offer greater incentives for improving quality. S. 821 is in line with the recommendations of the Advisory Committee.

I shall outline briefly for the committee the provisions of S. 821 as we in the Department interpret it. As I have already indicated, the bill provides for acreage-poundage marketing quotas for tobacco. Simply stated, it affords the growers themselves the opportunity to vote in a special referendum to determine whether the growers favor the establishment of marketing quotas on an acreage-poundage basis in lieu of the present acreage allotment program.

If quotas are changed to an acreage-poundage basis, it means that a marketing quota will be established for each tobacco farm in terms of a specified number of pounds in addition to establishing its acreage allotment. Heretofore, the marketing quota has been all the tobacco the farmer could grow on his acreage allotment. That is the feature of the present system that has created the inordinate pressure to increase per acre yields at any cost. The acreage-poundage system would have the following advantages:

(1) Acreage allotments could be larger, as the poundage quota would provide protection against excessive marketings.

(2) The farmer would have more flexibility in planning and carrying out his farming operations, because he could use the combination of land, fertilizer, labor, and other inputs that would give him the highest gross receipts at the lowest production costs—instead of having to aim for the highest per acre yields regardless of costs.

(3) Added flexibility for the farmer would be provided by the authorization to carry over unused quotas from one year to the next.

(4) Each farmer could aim at producing high-quality tobacco without thereby losing part of his share in the market to other farmers who produce more pounds at the expense of quality.

(5) Restraint between different producing areas as well as between individual farmers would be provided in the race to increase yields at the expense of quality.

(6) Producer income would be increased as a result of improved quality and lower production costs.

(7) Sales and exports would be increased through improved quality.

(8) Supplies of tobacco would be kept in better balance with demand.

(9) The cost of the tobacco program to the Government would be reduced.

(10) The danger of the tobacco price-support program being terminated altogether would be reduced.

We believe that these reasons are sufficient to show a very substantial advantage in shifting to the acreage-poundage basis. I wish to reiterate, however, that the shift would not be made unless the growers themselves so elected in a referendum.

The bill provides that within 30 days after its enactment, the Secretary shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco. The bill provides further that within 30 days after such announcement, the Secretary shall conduct a special referendum of the farmers engaged in the production of the 1964 crop of Flue-cured tobacco to determine whether they favor or oppose the establishment of farm marketing quotas on an acreage-poundage basis, as provided in the bill, for the 3 marketing years beginning July 1, 1965, in lieu of quotas on an acreage basis now in effect. If two-thirds or more of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in the bill will be in effect for the 3 marketing years in lieu of the marketing quotas on an acreage basis.

The bill provides also that whenever during the first or second year of a 3-year period for which marketing quotas on an acreage basis are in effect for a kind of tobacco, including Flue-cured, the Secretary determines with respect to that kind of tobacco that acreage-poundage quotas would result in a more effective marketing quota program for that kind of tobacco, he shall, at the time of the next announcement of the amount of the national marketing quota under the present acreage allotment program, determine and announce the amount of the national quota for the kind of tobacco involved and at the same time announce the national acreage allotment and national average yield goal and within 30 days thereafter, conduct a special referendum to determine whether growers of the kind of tobacco involved favor the establishment of marketing quotas on an acreage-poundage basis as provided in the bill for the next 3 marketing years.

We recommend that the bill be amended in subsections 317(b) and 317(c) to change the percentage of favorable votes required to

make the acreage-poundage program effective, from two-thirds or more of the growers voting to more than 50 percent of the growers voting. Since 96.5 percent of the growers voting have approved marketing quotas for the next three crops of Flue-cured tobacco, and since the vote in the special referendum would not change that basic decision to have marketing quotas, it is our view that a simple majority of the growers voting in the special referendum should determine whether such a program will be on an acreage basis or on an acreage-poundage basis.

I think that under our system, it is fairly well recognized that there are some kinds of questions that might best be settled by a majority vote, and some where it is more appropriate to require something more than a majority vote. I am sure that all Senators are familiar with the distinction between these two kinds of questions and the various rules that prevail in the Senate that relate to that. It is difficult sometimes to decide in which category it is best to place a particular question. In this case we believe that the decision as to the choice between these two kinds of programs is one that is properly to be determined by a majority vote. We believe that the basic question whether or not to have marketing quotas has been determined. A two-thirds vote was required. The vote was far more than that.

The question of which kind of a program is more effective and can best achieve the results that were aimed at in the basic quota referendum is one that, it seems to us, a majority vote should determine. Of course, in any case, if you require more than a majority vote, if you fail to get it, you might well have the decision made by a minority of those voting instead of a majority, and that is not always a very happy situation.

This is a question which we, of course, submit to the judgment of the Congress, but after rather careful consideration, it is our judgment that a majority vote would be more appropriate for this particular question.

There are some other clarifying or technical changes that we would recommend in the bill. We recommend further that the limitation in paragraphs 317(a)(4) and 317(a)(8) with respect to the amount of the farm marketing quota, which can be carried over from one year to the next because of under marketings, be clarified.

We have furnished the committee a revised draft of the bill in which these recommended changes, together with other minor changes, have been incorporated.

To assist the committee in its deliberations, I would like to offer for the record a brief description of an acreage-poundage program for Flue-cured tobacco which is presented as a step-by-step procedure, using three hypothetical individual farm situations to illustrate how it works.

(The description referred to is as follows:)

AN ACREAGE-POUNDAGE PROGRAM FOR FLUE-CURED TOBACCO

There follows a brief description of an acreage-poundage program for Flue-cured tobacco. It is presented as a step-by-step procedure, using three hypothetical individual farm situations to illustrate how it works.

I. THE NATIONAL MARKETING QUOTA

A. For 1965

1. Set the national marketing quota at 1,125 million pounds. A quota of 1,125 million pounds plus an additional quantity expected to be marketed by allowing

farms to market 5 percent over their quotas will result in the marketing of about 1,150 million pounds. This is 100 million pounds below expected disappearance, and will allow for orderly reduction in excess supplies.

2. Establish the national average yield goal at 1,854 pounds per acre. Research data indicates that a national average yield of about 1,850 pounds will result in the production of usable tobacco at a favorable net return to growers.

3. Determine a national acreage allotment by dividing the national marketing quota by the national average yield goal, as follows: 1,125 million divided by 1,854 pounds equals 606,800 acres.

4. Determine the national acreage factor by dividing a new 1965 national acreage allotment by the national acreage allotment currently in effect for the 1965 crop (514,265 acres): 606,800 acres divided by 514,265 acres equals 1.180 national acreage factor.

5. Set aside a very small portion of the 1,125 million-pound quota for correcting errors and for new farms.

B. For future years

Set the quota at an amount that is desirable to maintain an adequate supply or to effect an orderly reduction of excessive supplies.

II. FARM ACREAGE ALLOTMENTS

Determine an acreage allotment for each farm by multiplying the current farm acreage allotment by the national acreage factor, as follows:

Farm	Current 1965 allotment	National acreage factor	New 1965 allotment
A-134.....	5.25	1.180	6.20
C-382.....	2.54	1.180	3.00
F-291.....	4.24	1.180	5.00

III. FARM MARKETING QUOTA

A. For each county

Determine the 5-year average yield during 1959-63. Then, compute 130 percent and 70 percent of the county 5-year average. Use these guides to determine preliminary farm yields for individual farms.

County	1959	1960	1961	1962	1963	5-year average	5-year average	
							70 percent	130 percent
Otis.....	1,650	1,710	1,830	1,740	1,920	1,770	1,239	2,301
Brown.....	1,995	2,110	2,075	2,270	2,450	2,180	1,526	2,834
Ford.....	1,910	2,075	2,265	2,375	2,410	2,207	1,545	2,869

B. Determine a preliminary farm yield for each farm

Select the three highest yields during 1959-63 and compute a simple average. If the simple average is more than 130 percent of the county 5-year average yield, reduce it to that amount. (Estimates are that this limitation will affect about 10 percent of the farms.) If the simple average is less than 70 percent of the county 5-year average yield, raise it to that amount. (Estimates are that this will affect about 2 percent of the farms.) This can be illustrated by examples of three farm situations, as follows:

Example A.—Farm A-134 is located in Otis County which has a 5-year average yield of 1,770 pounds per acre. The yields for farm A-134 are as follows:

1959.....	1,990
1960.....	*2,350
1961.....	2,175
1962.....	*2,375
1963.....	*2,350
Average of 3 highest years (*).....	2,358
Preliminary farm yield.....	2,301

This farm's three highest years averages 2,358 pounds per acre. But, this is more than 130 percent of the county 5-year average yield of 2,301 pounds. So, the farm preliminary yield is reduced to 2,301 pounds.

Example B.—Farm C-382 is located in Brown County which has a 5-year average yield of 2,180 pounds per acre. The yields for farm C-382 are as follows:

1959.....	1, 730
1960.....	1, 845
1961.....	*1, 970
1962.....	*2, 068
1963.....	*2, 130
Average of 3 highest years (*).....	2, 056
Preliminary farm yield.....	2, 056

This farm's 3 highest years averages 2,056 pounds per acre. This average yield is less than 130 percent (2,834 pounds) and more than 70 percent (1,526 pounds) of the county 5-year average yield. So, the preliminary farm yield for this farm is 2,056 pounds per acre.

Example C.—Farm F-291 is located in Ford County which has a 5-year average yield of 2,207 pounds per acre. The yields for farm F-291 are as follows:

1959.....	1, 322
1960.....	1, 295
1961.....	*1, 510
1962.....	*1, 475
1963.....	*1, 530
Average of 3 highest years (*).....	1, 505
Preliminary farm yield.....	1, 545

The farm's 3 highest years average, 1,505 pounds per acre. But, this average yield is less than 70 percent of the county 5-year average yield of 1,545 pounds. So, the preliminary farm yield is raised to 1,545 pounds per acre.

C. Determine a national yield factor

1. For each farm, multiply the preliminary farm yield by the acreage allotment. The result would be the projected production prior to setting final farm yield.

Farm	Preliminary farm yield	Acreage allotment	Projected production
A-134.....	2, 301	6.20	14, 266
C-382.....	2, 056	3.00	6, 168
F-291.....	1, 545	5.00	7, 725
Total.....		14.20	28, 159

2. Total the acreage allotments for all farms and total the projected production for all farms.

3. Divide the total projected production by the total acreage allotted. The result is the weighted national average yield. This is illustrated by the acreage and yield data from the three example farms, as follows:

28,159 pounds ÷ 14.20 acres = 1,983 weighted average yield

4. Divide the national average yield goal by the weighted national average yield. The result is the national yield factor.

1,854 ÷ 1,983 = 0.935 yield factor

D. Determine final farm yield

Multiply the preliminary farm yield by the national yield factor.

Farm No.	Preliminary farm yield	National yield factor	Final farm yield
A-134.....	2, 301	0.935	2, 151
C-382.....	2, 056	.935	1, 922
F-291.....	1, 545	.935	1, 445

E. Determine farm marketing quota

Multiply the acreage allotment by the final farm yield.

Farm No.	Acreage allotment	Final farm yield	Farm marketing quota
		<i>Pounds</i>	<i>Pounds</i>
A-134.....	6.20	2,151	13,336
C-382.....	3.00	1,922	5,766
F-291.....	5.00	1,445	7,225

IV. PRODUCTION OVER AND UNDER FARM QUOTA

A. Handling overproduction

1. A farm harvesting within its 1965 acreage allotment is eligible to sell 5 percent over its farm quota with price support and no penalty. But, these pounds sold would be deducted from the farm's 1966 quota. The tolerance privilege would be effective only for 1965.

Farm	Farm marketing quota	Quota plus 5-percent tolerance
A-134.....	13,336	14,003
C-382.....	5,766	6,054
F-291.....	7,225	7,586

2. A farm harvesting in excess of its allotment is not eligible for price support. All pounds marketed over the farm's quota would be assessed 44 cents per pound—the full penalty rate. In addition, if, for example, farm A-134 harvested within its allotment but sold 14,500 pounds in 1965, 497 pounds would be assessed the full rate of penalty with no price support and would be deducted from the farm's 1966 quota.

$$497 \text{ pounds} \times \$0.44 \text{ (full penalty rate)} = \$218.68$$

B. Handling under production

A farm may carry over to the following year as much as 100 percent of its quota.

1. *Example of 100-percent carryover.*—Farm C-382 with a 1965 quota of 5,766 pounds, may elect not to produce any tobacco in 1965. So, for 1966, assuming no change in the national marketing quota, 5,766 pounds would be added to the farm's quota. Also, the farm's acreage allotment would be increased in the same proportion.

Farm C-382

1965 acreage allotment.....	acres..	3
1965 marketing quota.....	pounds..	5,766
1965 marketings.....		0
1966 marketing quota.....	pounds..	11,532
1966 acreage allotment.....	acres..	6

2. *Example of less than 100-percent carryover.*—Farm F-291, with a 1965 quota of 7,225 pounds, markets only 6,500 pounds in 1965. Assuming the national marketing quota remains the same for 1966, 725 pounds would be added to 7,225 pounds for a 1966 farm quota of 7,950 pounds. Also, the farm's acreage allotment would be increased in the same proportion.

Farm F-291

1965 acreage allotment.....	acres..	5
1965 marketing quota.....	pounds..	7,225
1965 marketings.....	do.....	6,500
1966 marketing quota.....	do.....	7,950
1966 acreage allotment.....	acres..	5.50

Illustrative table—Flue-cured tobacco: Average 1959-63 harvested acreage, yield and production, specified allotment and yield data with production extensions, and percentage distributions by States

State	Average, 5 years 1959-63				1965 allotment acreage	Farm average yields, 3 high years in 1959-63—maximum 130 percent and minimum 70 percent of 1959- 63 county average yield				1965 allotment restored to 95 percent of total acreage allotted in 1964	Farm average yields, 3 high years in 1959-63 (with maximum and minimum limits) factored by 93.5 percent			
	Harvested acreage	Yield per acre	Production			Yield per acre	Production extension		Yield per acre		Production extension			
			Quantity	Percentage distribution			Quantity	Percentage distribution			Quantity	Percentage distribution		
Virginia.....	Acres 70,700	Pounds 1,643	Million pounds 116.2	Percent 9.1	Acres 51,581	Pounds 1,788	Million pounds 92.2	Percent 9.0	Acres 60,814	Pounds 1,672	Million pounds 101.7	Percent 9.0		
North Carolina.....	464,500	1,811	841.2	66.1	339,162	1,982	672.2	65.9	399,872	1,853	741.0	65.9		
South Carolina.....	81,000	1,960	158.8	12.5	59,725	2,115	126.3	12.4	70,416	1,978	139.3	12.4		
Georgia.....	70,800	1,859	131.6	10.3	52,330	2,046	107.1	10.5	61,697	1,913	118.0	10.5		
Florida.....	14,100	1,729	24.4	1.9	10,965	1,935	21.2	2.1	12,928	1,809	23.4	2.1		
Alabama.....	470	1,541	.7	.1	502	1,711	.9	.1	592	1,600	.9	.1		
Total.....	701,570	1,814	1,272.9	100.0	514,265	1,983	1,019.9	100.0	606,319	1,854	1,124.3	100.0		

Mr. MURPHY. Mr. Chairman, the bill is in accordance with the recommendation in the President's message on agriculture relating to tobacco. The President's message also recommends that consideration be given to other revisions in the tobacco program to make American tobacco more competitive in world markets. In order to make the acreage-poundage choice contemplated by S. 821 available for tobacco growers for the 1965 crop, we would suggest that the Congress give prompt consideration to legislation revising this aspect of the program without awaiting the consideration of other matters.

The Department not only wholeheartedly supports S. 821 and recommends its enactment, but urges that it be enacted in time to permit its operation for the 1965 crop of Flue-cured tobacco. Our program needs strengthening. We cannot long continue with an ineffectual program. We want to continue to be a force for stabilization of the tobacco industry which has meant so much to our economy. Tobacco is one of our basic commodities and one of the oldest. Historians tell us that tobacco was the first commercial export from the New World and this trade in tobacco is credited with saving the colony at Jamestown. Tobacco returns approximately \$1,300 million annually to some 700,000 farm families. Exports of unmanufactured tobacco during the 1964 fiscal year were valued at \$420 million, over 90 percent of which were for dollars. Tobacco exports contribute significantly to our efforts to balance trade. Taxes collected by Federal, State, and local governments on tobacco products during the 1964 fiscal year totaled some \$3.3 billion.

All of this, Mr. Chairman, goes to demonstrate the importance of tobacco in our economy. We urge the enactment of this legislation at the earliest possible date.

We thank you very much for the opportunity to appear here, and we will be glad to answer such questions as the committee might have, to the best of our ability.

Senator JORDAN. Thank you very much, Mr. Murphy. I was impressed with your statement about the urgency of this program. There has been some question in some people's minds as to whether they thought the President's message meant urgent or urgent a year from now. From a legal standpoint is there any reason why this program cannot go into effect this year if Congress approves the bill?

Mr. MURPHY. Mr. Chairman, there is not. We have here Mr. Howard Rooney, from our General Counsel's Office, who will be glad to answer that question at somewhat greater length if you desire.

Senator JORDAN. I would like to have that.

Before I get into that though, I am delighted to announce that Senator McCarthy of Minnesota, who is a member of the Agriculture Committee and on this subcommittee, has come in. Although they do not raise tobacco certainly in any quantity in Minnesota, they do raise a lot of other things up there, and he is a very valued member of this committee, and I am delighted to see his interest in this program.

Senator McCarthy, we will be glad to hear from you if you have a remark to make.

Senator McCARTHY. We do raise some tobacco. We also have a milk problem out there. I just want to see how the tobacco growers stand on this because we may call upon them to give us support for a dairy program.

Senator JORDAN. In addition, we have Congressman Bonner, who is right out of the tobacco territory in North Carolina and who is

certainly as much interested in the future of tobacco as anybody could be in the Congress. I am delighted that he took time to come over here and be with us this morning. We will be glad to hear from you, Mr. Bonner. He lives in Washington, N.C., the original Washington.

Mr. BONNER. Mr. Chairman, I, of course, am interested in this. The record will show that some 7 or 8 years ago I introduced a similar bill in the Congress. I have felt since the inception of the tobacco program when the change was made from the national declaration of pounds to acres, that that meant the deterioration of the program. Naturally you would expect everybody to keep the economy up, but you start off with so many million pounds of tobacco as a national proclamation and you get down to the growing area where the farmer produces, and you put it on acres. Well, of course the fertilizer people come in, agents from the Department of Agriculture in Washington and from the States come along, and then the chemical people come along, and they just say, "Don't pay any attention to this national proclamation; just grow all the tobacco you can on an acre."

There has been a development, in my opinion, of an inferior tobacco from these very things, growing tobacco that is not the original tobacco that we had years ago.

Now in this bill—with your permission, Mr. Chairman, I would like to ask this question.

Senator JORDAN. Yes; certainly.

Mr. BONNER. In the bill that I introduced some years ago, there was a provision for disaster to be taken into consideration in determining the grower in a specific area's poundage.

For instance, we will take a county that had a disaster—hurricane; storm. It wiped out the agricultural crops in that county. A national proclamation was made from the Department of Agriculture and the administration giving aid to that area, the States having recognized it.

In this bill would there be any objection to some provision being put in here to determine the average of the 5 years, if a specific year in those 5, during a specific year in those 5, A county or B county or a group here had suffered a disaster that would bring their poundage down to such an extent that it would be economically destructive to them?

Mr. MURPHY. Mr. Chairman, I have here with me Mr. Horace Godfrey who is the Administrator of the Agricultural Stabilization and Conservation Service. I would like for him to have an opportunity to respond to Mr. Bonner's question.

Senator JORDAN. We are happy to have you with us also.

STATEMENT OF HORACE D. GODFREY, ADMINISTRATOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. GODFREY. Thank you, sir.

Mr. Chairman, in this connection the county average yield comes in only as a limitation on the top side and on the bottom side. We do not know of any particular county in which a disaster has occurred during the 5-year base period that is included in the bill.

However, to serve as a safeguard, if you wanted to include a provision which would eliminate a particular year if there was a disaster, there would be no objection on our part.

Mr. BONNER. You do know, of course, because in eastern North Carolina there were 2 years in these 5 that we had these tremendous hurricanes that practically wiped out the agricultural crop, and we had the Governor of North Carolina to visit certain areas. I accompanied him. And the tobacco was just laying on the ground as well as corn and other crops.

One of them happens to be my home county—and not because it is my home county; I would feel the same if it was any other county—but in the bill that I introduced, there was a provision that disaster should be taken into consideration and a provision for a yardstick to determine that county's and the grower in that county's poundage under the provisions of this bill.

Mr. GODFREY. The bill as introduced does provide a safeguard as far as the individual grower is concerned, because it permits the 3 high years out of the 5 years.

Mr. BONNER. That is right.

Mr. GODFREY. 1959 to 1963, and we would have no objection to including a provision to exclude a particular year in determining the county yield if this is considered desirable.

Mr. BONNER. Just some recognition of a disaster beyond that of the ability of the man to avoid. You know what the disasters were. I think you were called down there——

Mr. GODFREY. Yes.

Mr. BONNER. To look at some of this damage at the time. It not only occurred in tobacco, it occurred in poultry areas, corn and grain areas, and so forth. But I do think in this that some consideration, some provision should be made for those growers who through no fault of their own suffered a disaster that reduced their county average to such an extent that it would be a hardship beyond that of the overall grower.

And of course I am greatly interested in this bill, and I congratulate the Department of Agriculture on the lengthy work it has done and the administration and those who are interested in the tobacco program because I think that you have got to go back to pounds.

Thank you, Mr. Chairman.

Senator JORDAN. Thank you very much.

Did you have any answer further than that made by Mr. Godfrey?

Mr. MURPHY. I do not, Mr. Chairman.

Senator JORDAN. Mr. Bonner, this is the kind of suggestions we want because it is our intention—and there are provisions in the bill—to take care of a farmer if he should happen to have a disaster on his farm.

Mr. BONNER. What section is that?

Senator JORDAN. It is in there. It is in the 5-year-period provision.

Mr. GODFREY. Three out of the five would give this protection, yes.

Senator JORDAN. But your suggestion will certainly be given very serious consideration. It can be worked out in this bill without any problem I think.

Mr. GODFREY. Yes, very easily.

Senator JORDAN. It is certainly the intention that it be in this bill.

Mr. BONNER. It is not an average, then, of the 5 years.

Mr. GODFREY. No, sir.

Mr. BONNER. Three year average.

Mr. GODFREY. For the individual farm it is the 3 highest years out of the period 1959 to 1963, 5 years.

Mr. BONNER. 1959 to 1963. Of course you are aware of the fact that each of these succeeding years, even with the reduction of acreage, the poundage has gone up.

Mr. GODFREY. Yes, sir.

Mr. BONNER. And it would be difficult for a grower who had had two disasters in those 5 years to get the advantage that other areas may have had in the similar time.

Mr. GODFREY. There is also provided a reserve for correction of errors and situations such as this, but I think that it is adequately covered on page 3 of the bill and section 7 on farm yield.

Mr. BONNER. Is it not correct that the county takes the average of five?

Mr. GODFREY. This is right, sir.

Mr. BONNER. So that farmer then would be protected overall in that county.

Mr. GODFREY. I said we would have no objection to an amendment which would permit the correction of the county yield for disasters that occur.

Mr. BONNER. Of course I am very frank to admit that your Department practically drew the bill that I introduced. They did draw it, and that provision was put in here, and I am sure you have people in your Department that have the language there. That was discussed, so as to be fair to everybody.

Mr. GODFREY. This could be corrected very easily on page 2 of the bill, item 5, and we would have no objection to it.

Mr. BONNER. You mean page 3, item 5?

Mr. GODFREY. Page 2, item 5 of the bill, section 317 (5). "County average yield means in the case of Flue-cured tobacco," and so forth.

Mr. BONNER. That is on page 3 of the bill that I have.

Mr. MURPHY. Mr. Chairman, we will be glad to cooperate with the Committee and its staff in drafting appropriate amendments that the Committee might wish.

Senator JORDAN. Fine. Thank you. And that is a very fine suggestion that you have made.

Mr. BONNER. Thank you, Mr. Chairman.

Senator JORDAN. Are there any questions?

Senator TALMADGE, did you have any questions?

Senator TALMADGE. Yes, Mr. Chairman.

Mr. Secretary, I want to compliment you on your statement. I would ask that you turn to page 4 thereof beginning with line 5. Here I think you are faced with a very, very, serious problem and the real problem of the tobacco industry at the present time:

During the 5 years, 1946-50, 31.1 percent of Flue-cured tobacco marketed in the United States was placed in first, second, and third qualities by USDA inspectors. During the 5 years, 1956-60, only 14.4 percent was placed in the first three qualities. For the 1962 crop, only 10.3 percent, or about one-third as much as in 1946-50, was graded into the first, second, and third qualities. Since Government grade standards for Flue-cured tobacco were substantially revised in 1963, comparable data for the 1963 and 1964 crops are not available.

That statement, as I understand it, clearly proves a severe deterioration in the quality of tobacco that has been produced in the United States.

Mr. MURPHY. We think it establishes that rather clearly, Senator, yes.

Senator TALMADGE. Now, in the State of Georgia we have considerable tobacco producers that claim that Georgia tobacco by and large finds its market without going into CCC. A very small percentage goes into CCC, I think something on the order of 2 percent. Is that figure substantially correct?

Mr. MURPHY. I understand that it is. It varies from year to year, but that is substantially correct.

Senator TALMADGE. That was my impression.

Now, some of these farmers think—and have reported to me on frequent occasions—that the matter of overproduction of tobacco could be handled by quite severe grading, with price supports commensurate with the quality. Why could you not establish a grading system with relatively high support prices on good quality tobacco that the domestic and world markets desire with very low or no support price on this tobacco that no one wants? Why would that not answer the problem?

Mr. MURPHY. Senator, we made a very substantial move in that direction for the 1963 crop and did change the grades in an effort to provide a lower support price for the less desirable or less marketable tobaccos. We were aiming as nearly as we could toward discouraging the kind of cultural practices that produce the less desirable kinds of tobacco.

We did improve the situation some. I think it is pretty clear that the quality of the 1963 crop of tobacco was better than the quality of the crop before that.

Just yesterday I asked the tobacco experts in the Department the very question you just asked me—if we could not go further in that direction and reduce more—by changing the grades—reduce to a lower level the support price of these less desirable qualities of tobacco. Their response was that in the marketplace, tobacco of these qualities is already bringing right much more than the support price, 8, 10, 12 cents a pound, and that the higher grades, better qualities, are the ones that we are getting under the support program. They thought that we would not be able to achieve any effective improvement in the situation by further reductions in the support price—further downgrading of these less desirable qualities of tobacco.

Senator TALMADGE. I understand your reply to be then that you cannot devise a grading scheme that will eliminate the poor quality tobacco?

Mr. MURPHY. That seems to be the situation; yes, sir.

Senator TALMADGE. Thank you, sir.

Senator McCARTHY. Mr. Chairman, I would like to ask at this point, if you made a subsidy payment, you would put pressure on the higher quality tobacco. You could make it more popular in the market, could you not, and encourage production of better tobacco rather than the production of this offgrade tobacco which seems to be taking over the market? Do you have authority for direct subsidy payments now in the tobacco program?

Mr. MURPHY. I think not.

Senator McCARTHY. Would not a direct payment authority give you a device which might encourage the production of better tobaccos?

Mr. MURPHY. That is a sufficiently complicated question, Senator, that I am reluctant to give an offhand answer. I think I would say that I believe that it is probable, but I would like to work on it a while before I undertook to give an answer that anyone would rely on.

Senator McCARTHY. One of our objectives is to encourage production of better tobacco, is it not?

Mr. MURPHY. It certainly is, yes.

Senator McCARTHY. The filter is not so important, I understand, but evidently from the letters you have gotten from Japan and from England even when they smoke through a filter they prefer a better tobacco in the front end.

Mr. MURPHY. We think the evidence is quite clear that people do prefer better tobacco and are willing to pay somewhat more for good tobacco.

Senator JORDAN. Senator Cooper, do you have some questions?

Senator COOPER. I would like to say, Mr. Secretary, that I think you have given a very fine statement in support of this bill.

I have a number of questions about the effect of specific provision of the bill. Some of them are rather technical and may require detailed answers. I would like to ask whether I should address them to the Department of Agriculture officials accompanying you, or whether you prefer that I propose them to you and ask that replies be filed with the committee?

Mr. MURPHY. We will, of course, follow the course that you would like for us to. If you wish to address the questions to us now, we will answer as many as we can and you wish us to.

Senator COOPER. First, I will address myself to the question of the special referendum. The bill introduced by Senators Jordan and Ervin provides that two-thirds of the farmers voting would have to approve the acreage-poundage quotas before the new program could come into action. I understood you to say the Department recommends that the choice could be made by a majority.

Mr. MURPHY. That is true; in making the choice between which kind of program it is going to be, we recommend that this be settled by a majority.

Senator COOPER. I understand your rationale for this—it is a choice of alternative methods of production control under the tobacco price support program now in effect.

Mr. MURPHY. Yes.

Senator COOPER. Rather than a vote on whether to have fixed price supports with production controls or no program, as in the regular referendum.

Mr. MURPHY. Yes.

Senator COOPER. Where a two-thirds vote is already required. I would like the Department to report to the committee whether there have been any exceptions to the policy you now propose. In other words, whether in choosing between alternative control programs for wheat, feed grains, cotton, and so forth, the Department has ever recommended two-thirds rather than a majority vote by farmers.

Mr. MURPHY. We would like an opportunity to check the record to answer that question, Senator. We will be glad to do that.

(The information is as follows:)

STATEMENT OF HOWARD ROONEY, OFFICE OF THE GENERAL COUNSEL, U.S.
DEPARTMENT OF AGRICULTURE

The act of August 28, 1958, Public Law 85-835 (72 Stat. 993) (note: 7 U.S.C. 1441), provided for a referendum of corn producers on whether they desired price support on the basis of acreage allotments at levels provided in section 101 of the Agricultural Act of 1949, as amended, or price support at levels provided in Public Law 85-835 without acreage allotments. If less than a majority voted for the program under Public Law 85-835 it did not become effective. The proposal contained in Public Law 85-835 carried by 71.2 percent (24 F.R. 223). This referendum pertained to price support and acreage allotments and did not involve marketing quotas or penalties.

Under the authority of *Mulford v. Smith*, 307 U.S. 38, 51, it is my opinion that the marketing quota provisions of S. 821 could be made effective for the 1965 crop of Flue-cured tobacco if S. 821 should be enacted into law prior to the time for marketing the 1965 crop.

Senator COOPER. Going to the basis of your recommendation for this program, this year I believe Flue-cured acreage allotments were cut 19½ percent.

Mr. MURPHY. Yes, sir.

Senator COOPER. Burley allotments for the 1965 crop were cut 10 percent and so were the dark tobaccos; and of course that is in addition to the 10-percent cuts for the 1964 crop. Do you see any prospect that annual cuts in acreage might be required as a result of the increased production on each acre that farmers are now able to achieve?

Mr. MURPHY. Under the present program, Senator, I would regard it is almost certain that cuts in acreage will continue to be required year after year. In the case of Flue-cured for the 1964 crop, for example, there was a 10-percent cut in acreage, but the total number of pounds produced was actually greater than in 1963. There has been a 19½-percent cut this year below 1964. We do not expect anything like a 19½-percent cut in the number of pounds produced. We do not know, of course, what it will be. But, as I indicated in my prepared statement, the evidence seems to be quite clear that we have by no means reached the limit of what can be done in increasing yields per acre. Unfortunately in the case of tobacco, these cultural practices that increase per acre yields tend very substantially to lower the quality of the product. That is not true—at least not to anything like the same degree—in the case of other commodities. You can produce more pounds of cotton on an acre and you are likely to get better cotton. But in tobacco it is a very different situation.

Senator COOPER. To test the effectiveness of the acreage cuts ordered for the 1965 crops of both Flue-cured and burley tobacco, I would like to ask you whether there would be a resulting surplus above estimated use in the year 1965—assuming that production per acre remains about the same for 1965 as in 1964.

Mr. MURPHY. I am not sure I understand the question. In the case of Flue-cured, if we get the same per-acre yield in 1965 as in 1964, there will be a drawdown in stocks according to our estimates, that is we would produce less Flue-cured tobacco than will be used.

Senator COOPER. I am asking what will happen if the present acreage control system should be retained.

Mr. MURPHY. If the present acreage control system should be retained, we would expect, in the absence of natural disaster, we would expect a substantial increase in average yields per acre.

Even with that increase, in the case of Flue-cured—since the cut was 19½ percent—we would estimate that the production will be somewhat less than utilization and there will be some drawdown in stocks.

In the case of burley, we would estimate that the production will be about as large as or perhaps a little larger than utilization, and there would not be any drawdown in stocks or no substantial drawdown in stocks.

Senator COOPER. You may recall that following the large 1954 crop of burley tobacco, the farmers voted in a special referendum for an additional cut in allotments—a total cut of 25 percent along with other steps to brighten up the program. Thereafter, over a period of 6 or 7 consecutive years production was held below use each year. The cooperatives were able to sell the surplus that had accumulated—and I believe without loss to the Government. The amounts held under Government loan went to a very low level by 1961 or 1962, down to about 30 million pounds of burley tobacco.

Are you saying in effect that the situation with respect to burley tobacco is worse today than it was in 1955?

Mr. MURPHY. I would have to turn to someone who was in the program in that year.

Senator COOPER. That is a very general question, but I will ask you or your staff to report to the committee, taking this situation: Following the record 1954 crop, you were able to hold down production and work off by sales a rather large volume of burley tobacco. What consideration now applies which was not applicable at that time, and therefore dictates your position that it is not possible, by using the same program we used then and have now, to take care of this rather large surplus that has developed?

Mr. MURPHY. If we are going to compare the two periods, Senator, I think we had better ask an opportunity to present that answer for the record later. I think it is possible to continue operating the same program and draw down the stocks of tobacco just by continuing to cut acreage allotments. We do not feel that that is as good a solution to the problem as the shift to acreage-poundage.

Senator COOPER. I judge then that your answer is that it could be done, but that the present program would require continuing cuts in acreage if farmers maintain or increase these high levels of production per acre.

Mr. MURPHY. That is the outlook; yes, sir.

(Supplemental statement filed by the Department of Agriculture is as follows:)

Burley yields averaged 1,586 pounds per acre in 1954. Following the 25-percent reduction in allotments in 1955, yields increased only moderately. During the 6 years, 1955–60, burley yields averaged 1,602 pounds per acre. By contrast, burley yields during the past 3 years, 1962–64, averaged around 2,090 pounds per acre. Further increases in per acre yields, will require further reductions in allotments if supplies are to be balanced with demand.

Senator COOPER. One other general question.

Under present law a reserve supply level is specified for each type of tobacco. At the quota meeting each year we are reminded that for burley this supply goal in the law works out to 2.8 years' use. I think that level assumes that government stocks would be exhausted each

year; in other words the present formula reflects pretty well the stocks normally held by manufacturers and the trade.

Would the bill which you propose provide for the maintenance of this reserve supply of tobacco?

Mr. MURPHY. It is my impression that it would leave this reserve supply provision as it is in existing law. I am told that is the situation. We would continue to have the same reserve supply concept that we have in existing law. We would have, we think, somewhat more effective provisions for hitting the target so far as the reserve supply level is concerned.

Senator COOPER. I am going to file all these questions with you, but will you spell out how that is done?

Now I turn to burley, and I have a few questions. I know the bill before us if enacted would require the proclamation within 30 days of Flue-cured acreage-poundage quotas followed by a special referendum for Flue-cured growers.

For other types of tobacco it appears to provide that, during the first or second year after growers have voted to maintain the price support program for 3 more years, whenever the Secretary determines acreage-poundage would result in a more effective program he shall proclaim acreage-poundage quotas instead of the next regular quota and hold a special referendum.

If this bill should be enacted, what would be the first year that the Secretary could proclaim acreage-poundage quotas for burley tobacco, dark tobacco, and other types of tobacco?

Mr. MURPHY. It is my understanding that, except in the case of Flue-cured, the first year would be 1966.

Senator COOPER. For 1966?

Mr. MURPHY. 1966.

Senator COOPER. Flue-cured?

Mr. MURPHY. Except for Flue-cured. That is for burley and the dark types and all others, it would be 1966.

Senator COOPER. Could you state whether the bill specifically would limit such a proclamation to the first year being 1966?

Mr. MURPHY. My understanding is that the bill is so written that there would just be no provision for doing it for an earlier year in the case of any kind of tobacco except Flue-cured.

Senator COOPER. I had thought it was not entirely clear. But you do state specifically that the first year it could be made applicable to burley would be 1966.

Mr. MURPHY. That is right; yes.

Senator COOPER. I note that the "preliminary farm yield" for Flue-cured tobacco would be the yield per acre for the 3 highest years of the 5 consecutive crop years beginning with 1959.

Is it correct that the bill provides that for other types of tobacco, the preliminary farm yield would be the average of several years selected by the Secretary as representative, and not necessarily the three highest? If so, can you tell the committee why this distinction is made, because I think it is evident that the first average yield fixed just determines the amount that becomes the farmer's income, not only for that year but for each future year.

Mr. MURPHY. Could we see if Mr. Godfrey is prepared to answer this question now, Senator?

Senator COOPER. Yes.

Mr. GODFREY. Senator Cooper——

Senator COOPER. I think it discriminates against dark and burley tobacco.

Mr. GODFREY. This was not intended at all. This was written this way so we could get the burley and dark tobacco interests together on what year should be used since they were not going to apply to the 1965 crop. It was written this way so that we could get a recommendation from them as to what years they wanted to use in determining this. The 5 years were agreed upon by the Flue-cured people.

Senator COOPER. Before this matter comes up to a vote before the burley growers, I think you will have to spell out the same conditions applicable to them.

Mr. GODFREY. It would be spelled out well in advance; yes, sir.

Senator COOPER. I think it should be.

Senator Talmadge may have expressed himself on this next point. If this plan should be adopted, we know it is possible—not possible, it is probable—that farmers would grow excess tobacco. You cannot determine what the weather will be, and they might go ahead and grow on their acreage allotment more pounds than their quota.

Would it not be better for farmers to be permitted to sell this tobacco, if they chose to do so, and then the overage production could be deducted from their acreage allotment and their poundage quota for the next year? The reason I ask is that I have heard that when excess tobacco is grown, sometimes—and this might be applicable to only a few farmers—somehow it finds its way into the market. Would it not be better to allow farmers to sell what they have grown on their assigned allotment, cured and brought to market, at least within a certain limit, deducting the overage from their next allotment rather than waiting to grow it the following year?

Mr. MURPHY. Senator, there is a provision in the bill that applies to the first year that would permit excess sales of 5 percent. Let me say next that there is some leeway on the other side that I think would help to take the pressure off this particular problem; that is, if there is underproduction or undermarketings, the right to market can be carried over to the following year.

I think it is certainly reasonable to consider allowing some tolerance for overmarketings regularly. I do not know whether that would get us into administrative problems that were so complicated that it would endanger the program.

Mr. Godfrey has participated in the discussions. This has been considered at great length. He might have some comment to add on this point.

Mr. GODFREY. Yes, sir; this was considered at great length in the Tobacco Advisory Committee and also by the task force.

It is generally believed that to permit overmarketings consistently year in and year out would not permit the tobacco trade to know exactly how much tobacco to expect to be marketed any particular year. It would be possible for 2 years' crop to be produced in 1 year which would overtax the marketing facilities and would so affect the market until the producers themselves would suffer. So this was the reason for not including the overmarketing provision for subsequent years after the first year.

Senator COOPER. I have just two more questions, and I will submit others to the Department.

My first question goes to a very important point that has to be discussed, and our people have to know about it: That is the existing provision of law which applies to farms having burley allotments of one-half acre or less.

We know that under present law they are protected from cuts. I am not now arguing the merit or lack of merit of that provision of the law. But I would like to ask you to tell the committee what effect this bill would have upon this provision of law.

Mr. GODFREY. Senator Cooper, under the present law a burley tobacco farm may not be reduced below five-tenths of an acre or 10 percent of the cropland. We believe that this specific provision in the acreage-poundage quota bill relating to minimum allotments for burley tobacco would not apply.

Senator COOPER. The existing provision of law would not apply?

Mr. GODFREY. That is correct.

Senator COOPER. Under the acreage-poundage plan contained in this bill?

Mr. GODFREY. This is our opinion, yes.

Senator COOPER. Now, would you determine and report to the committee the number of burley growers, in Kentucky and in the United States, having acreage allotments of one-half acre or less?

Mr. GODFREY. Yes, sir, we can do that.

Senator COOPER. Your report would show also the total acreage of these small burley allotments, and the approximate percentage of the total crop produced by these small growers.

Mr. GODFREY. Yes, sir; we will furnish that also.

(The information is as follows:)

An actual count of the number of allotments and the acreage allotted by size groups is made every third year. The count of 1965 allotments has not yet been made. On the basis of the 1962 count and subsequent adjustments in allotments, it is estimated that 35 percent of the 298,600 farms in the United States having burley tobacco allotments in 1965 have allotments of five-tenths of an acre or less. In Kentucky, it is estimated that 23 percent of the 141,700 burley allotments are five-tenths of an acre or less.

It is estimated that 13 percent of the 285,700 acres allotted in the United States for 1965 is allotted to farms with allotments of five-tenths of an acre or less. In Kentucky, it is estimated that 6 percent of the 185,000 acres allotted is allotted to farms having allotments of five-tenths of an acre or less.

Senator COOPER. Now my last question. We know this bill would change or displace provisions of the present law. I would ask, Mr. Chairman—perhaps it has already been submitted to the committee, and if it is, you can say so—I think we should have an analysis from counsel of the Department setting forth the provisions of law which are now operating in the tobacco program which would be changed, replaced, or affected by the provisions of this bill.

Mr. MURPHY. We will be glad to provide such an analysis.

Senator COOPER. There are a lot of matters which become important, you know, like the penalties, the provision for new farms, the history used on old farms, and such as this small-acreage provision you have already said would be changed.

Senator JORDAN. Senator, would you want that separated as to burley and dark tobacco as against Flue-cured?

Senator COOPER. I think perhaps you might want it for flue-cured, or somebody else would. I was asking especially about the types produced in Kentucky.

Senator JORDAN. I think it would be well if you could separate those two because there is a vast difference in the production of burley on these small acreages as against Flue-cured tobaccos.

Mr. MURPHY. We will be glad to try to indicate, Senator, where there is a difference as between Flue-cured and the other kinds.

Senator COOPER. Thank you.

(The information is as follows:)

TEXTS OF EXISTING PROVISIONS OF LAW AND PROVISIONS OF PROPOSED ACREAGE POUNDAGE BILL

(Existing law on left—proposed bill on right)

(References are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)

NATIONAL MARKETING QUOTA AND REFERENDUM

NATIONAL MARKETING QUOTA

SEC. 312. (a) The Secretary shall, not later than December 1 of any marketing year with respect to flue-cured tobacco, and February 1 of any marketing year with respect to other kinds of tobacco, proclaim a national marketing quota for any kind of tobacco for each of the next three succeeding marketing years whenever he determines with respect to such kind of tobacco—

(1) that a national marketing quota has not previously been proclaimed and the total supply as of the beginning of such marketing year exceeds the reserve supply level thereof;

(2) that such marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect;

(3) that amendments have been made in provisions for establishing farm acreage allotments which will cause material revision of such allotments before the end of the period for which quotas are in effect; or

(4) that a marketing quota previously proclaimed for such marketing year is not in effect because of disapproval by producers in a referendum held pursuant to subsection (c); *Provided*, That if such producers have disapproved national marketing quotas in referenda held in three successive years subsequent to 1952, thereafter a national marketing quota shall not be proclaimed hereunder which would be in effect for any marketing year within the three-year period for which national marketing quotas previously proclaimed were disapproved by producers in a referendum, unless prior to November 10 of the marketing year one-fourth or more of the farmers engaged in the production of the crop of tobacco harvested in the calendar year in which such marketing year begins petition the Secretary, in accordance with such regulations as he may pre-

SEC. 317. (a) * * *

(1) "National marketing quota" for any kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year adjusted upward or downward in such amount as the Secretary in his discretion determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of excessive supplies in order to achieve the policy of the Act.

* * * * *

scribe, to proclaim a national marketing quota for each of the next three succeeding marketing years.

(b) The Secretary shall also determine and announce not later than the first day of December with respect to flue-cured tobacco and not later than the first day of February with respect to other kinds of tobacco, the amount of the national marketing quota proclaimed pursuant to subsection (a) which is in effect for the next marketing year in terms of the total quantity of tobacco which may be marketed which will make available during such marketing year a supply of tobacco equal to the reserve supply level.¹ The amount of the national marketing quota so announced may, not later than the following March 1, be increased by not more than 20 per centum if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restrictions of marketings in adjusting the total supply to the reserve supply level.

(B) "Normal supply" in the case of tobacco shall be a normal year's domestic consumption and exports, plus 175 per centum of a normal year's domestic consumption and 65 per centum of a normal year's exports as an allowance for a normal carry-over.

*

*

*

SEC. 301. (b)(14) * * *

(B) "Reserve supply level" of tobacco shall be the normal supply plus 5 per centum thereof, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(c) Within thirty days after the proclamation of national marketing quotas under subsection (a), the Secretary shall conduct a referendum of farmers engaged in the production of the crop of tobacco harvested immediately prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quotas for the next three succeeding marketing years. If more than one-third of the farmers voting oppose the national marketing quotas, such results shall be proclaimed by the Secretary and the national marketing quotas so proclaimed shall not be in effect but such results shall in no wise affect or limit the subsequent proclamation and submission to a referendum, as otherwise provided in this section, of a national marketing quota.

¹ SEC. 301. (b)(10) * * *

(b) Within 30 days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for flue-cured tobacco for the marketing year beginning July 1, 1965 and the national acreage allotment and national average yield goal for the 1965 crop of flue-cured tobacco, and within 30 days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967 in lieu of quotas on an acreage basis in effect for those marketing years. If the Secretary determines that more than 50 per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in this section shall be in effect for those marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

(c) Whenever, during the first or second marketing year of the three-year period for which marketing quotas on an acreage basis are in effect for any kind of tobacco, including flue-cured tobacco, the Secretary in his discretion determines with respect to that kind of tobacco that acreage-poundage quotas under this section would result in a more effective marketing quota program for that kind of tobacco he shall at the time the next announcement of the amount of the national marketing quota under section 312(b) of this Act determine and announce the amount of the national quota for that kind of tobacco under this section of the Act and at the same time announce the national acreage allotment and national average yield goal and within thirty days thereafter conduct a special referendum

(Existing law on left—proposed bill on right)—Continued

(References are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)—Continued

NATIONAL MARKETING QUOTA AND REFERENDUM—Continued

NATIONAL MARKETING QUOTA—continued

of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the next three marketing years. If the Secretary determines that more than 50 per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis as provided in this section quotas on that basis shall be in effect for the next three marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

(d) If marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis pursuant to subsections (b) or (c) the Secretary shall, not later than December 1 of any marketing year with respect to Flue-cured tobacco, and February 1 with respect to other kinds of tobacco, proclaim a national marketing quota for that kind of tobacco for the next three succeeding marketing years if the marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect. The Secretary in his discretion may proclaim the quota on an acreage-poundage basis as provided in this section or on an acreage allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco, and shall conduct a referendum in accordance with the provisions of section 312(c) of this Act. If the Secretary determines that more than one-third of the farmers voting oppose the national marketing quotas the results shall be proclaimed and the national marketing quota so proclaimed shall not be in effect. If the Secretary proclaims the quotas on an acreage-poundage basis he shall determine and proclaim at the same time the national marketing quota, national acreage allotment, and national average yield goal for the first year of the three years for which quotas are proclaimed. Notice of the farm marketing quota which will be in effect for his

farm for the first marketing year covered by the referendum insofar as practicable shall be mailed to the farm operator prior to the holding of any special referendum under subsections (b) or (c) or a referendum on acreage-poundage quotas under this subsection. The Secretary shall determine and announce the national marketing quota, national acreage allotment and national average yield goal for the second and third marketing years of any three-year period for which national marketing quotas on an acreage-poundage basis are in effect on or before the December 1 with respect to Flue-cured tobacco and the February 1 with respect to other kinds of tobacco immediately preceding the beginning of the marketing year to which they apply. * * *

APPORTIONMENT OF NATIONAL MARKETING QUOTA TO STATES

APPORTIONMENT OF NATIONAL MARKETING QUOTA

SEC. 313. (a) The national marketing quota for tobacco established pursuant to the provisions of section 312, less the amount to be allotted under subsection (c) of this section, shall be apportioned by the Secretary among the several States on the basis of the total production of tobacco in each State during the five calendar years immediately preceding the calendar year in which the quota is proclaimed (plus, in applicable years, the normal production on the acreage diverted under previous agricultural adjustment and conservation programs), with such adjustments as are determined to be necessary to make correction for abnormal conditions of production, for small farms, and for trends in production, giving due consideration to seed bed and other plant diseases during such five-year period. * * *

No provision.

AMOUNT OF NATIONAL ACREAGE ALLOTMENT

SEC. 317. (a) * * *

(3) "National acreage allotment" means the acreage determined by dividing the national marketing quota by the national average yield goal.²

² SEC. 317. (a) * * *

No provision.

(Existing law on left—proposed bill on right)—Continued

(References are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)—Continued

AMOUNT OF NATIONAL ACREAGE ALLOTMENT—Continued

- (2) "National average yield goal" for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

CONVERSION OF STATE MARKETING QUOTA TO STATE ACREAGE ALLOTMENT

SEC. 313. * * *

(g) Notwithstanding any other provision of this section, the Secretary on the basis of average yield per acre of tobacco for the State during the five years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production, may convert the State marketing quota into a State acreage allotment.

No provision.

APPORTIONMENT OF STATE ACREAGE ALLOTMENT TO FARMS

SEC. 313 * * *

(g) * * * [The Secretary may allot the State acreage allotment] through the local committees among farms on the basis of the factors set forth in subsection (b) ³, using past acreage (harvested and diverted) in lieu of the past marketing of tobacco; and the Secretary on the basis of the national average yield during the same period, similarly adjusted, may also convert into an acreage allotment the amount reserved from the national quota pursuant to the provisions of subsection (c) ⁴, and on the basis of the factors set forth in subsection (c) and the past tobacco experience of the farm operator, allot the same through the local committees among farms on which no tobacco was produced during the last five years. Any acreage of tobacco harvested in excess of the farm acreage allotment for the year 1955, or any subsequent crop shall not be taken into account in establishing State and farm acreage allotments. Except for farms last mentioned or a farm operated, controlled, or

No provision.

[The acreage poundage bill makes no provision for State acreage allotments—the national acreage allotment is apportioned directly to farms.]

directed by a person who also operates, controls, or directs another farm on which tobacco is produced, the farm-acreage allotment shall be increased by the smaller of (1) 20 per centum of such allotment or (2) the percentage by which the normal yield of such allotments (as determined through the local committees in accordance with regulations prescribed by the Secretary) is less than three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds in the case of other kinds of tobacco: *Provided*, That the normal yield of the estimated number of acres so added to farm acreage allotments in any State shall be considered as a part of the State marketing quota in applying the proviso in subsection (a).

【Act of July 12, 1952. * * * notwithstanding any other provision of law, effective for the 1956 and subsequent crops of burley tobacco, the farm acreage allotment for burley tobacco for any year shall not be less than the smallest of (1) the allotment established

³ SEC. 313. * * *

(b) The Secretary shall provide, through the local committees, for the allotment of the marketing quota for any State among the farms on which tobacco is produced, on the basis of the following: Past marketing of tobacco, making due allowance for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That, except for farms on which for the first time in five years tobacco is produced to be marketed in the marketing year for which the quota is effective, the marketing quota for any farm shall not be less than the smaller of either (1) three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds, in the case of other kinds of tobacco, or (2) the average tobacco production for the farm during the preceding three years, plus the average normal production of any tobacco acreage diverted under agricultural adjustment and conservation programs during such preceding three years.

⁴ SEC. 313. * * *

(c) The Secretary shall provide, through local committees, for the allotment of not in excess of 5 per centum of the national marketing quota (1) to farms in any State whether it has a State quota or not on which for the first time in five years tobacco is produced to be marketed in the year for which the quota is effective and (2) for further increase of allotments to small farms pursuant to the proviso in subsection (b) of this section on the basis of the following: Land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That farm marketing quotas established pursuant to this subsection for farms on which tobacco is produced for the first time in five years shall not exceed 75 per centum of the farm marketing quotas established pursuant to subsection (b) of this section for farms which are similar with respect to the following: Land, labor, and equipment available for the production of tobacco, crop-rotation practices, and the soil and other physical factors affecting the production of tobacco.

(Existing law on left—proposed bill on right)—Continued
 (Referencees are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)—Continued

APPORTIONMENT OF STATE ACREAGE ALLOTMENT TO FARMS—Continued

for the farm for the immediately preceding year, (2) five-tenths of an acre, or (3) 10 per centum of the cropland: *Provided, however*, That no allotment of seven-tenths of an acre or less shall be reduced more than one-tenth of an acre in any one year. The additional acreage required under this Act shall be in addition to the State acreage allotments and the production on such acreage shall be in addition to the national marketing quota.】

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT TO FARMS

No provision.

[As indicated above, the State acreage allotment is apportioned to farms.]

SEC. 317. (a) * * *

(4) "Farm acreage allotment" for a tobacco farm other than a new tobacco farm means the acreage allotment determined by adjusting uniformly the acreage allotment established for such farm for the immediately preceding year prior to any increase or decrease in such allotment due to under marketings or over marketings and prior to any reduction under subsection (f) so that the total of all allotments is equal to the national acreage allotment less that part of the reserve provided in subsection (e) of this section reserved for new farms with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for over marketing or under marketing and to reflect any reduction required under subsection (f) of this section.

* * *

(e) No farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding five years. For each marketing year for which acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than one per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments and for establishing acreage allotments for

new farms, which are farms on which tobacco was not produced or considered produced during the immediately preceding five years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop-rotation practices, soil and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms.

REDUCTIONS IN ALLOTMENTS

SEC. 313. (g) * * *

If any amount of tobacco shall be marketed as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments next established for both such farms shall be reduced by that percentage which such amount was of the respective farm marketing quota, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary or if any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the acreage of tobacco grown on the farm required by regulations issued pursuant to this Act, the acreage allotment next established for the farm on which such tobacco is produced shall be reduced by a percentage similarly computed. If in any calendar year more than one crop of tobacco is grown from (1) the same tobacco plants or (2) different tobacco plants, and is harvested for marketing from the same acreage of a farm, the acreage allotment next established for such farm shall be reduced by an amount equivalent to the acreage from which more than one crop of tobacco has been so grown and harvested.

(f) Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage-pounding programs established under this section. The acreage reductions required under the last two sentences shall be in addition to any other adjustments made pursuant to this section, and where acreage reductions are made the farm marketing quota shall be reduced to reflect such reductions. The provisions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production of marketings of tobacco grown on a farm for which an acreage allotment and a farm yield are established as provided in this section. In establishing acreage allotments and farm yields for other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency.

(Existing law on left—proposed bill on right)—Continued

(References are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)—Continued

FARM MARKETING QUOTA

SEC. 313. (g) * * *

The actual production of the acreage allotment established for a farm pursuant to this subsection shall be the amount of the farm marketing quota. * * *

[Since penalties are computed on the extent of noncompliance with the farm acreage allotment, the farm marketing quota has no significance.]

SEC. 317. (a) * * *

(8) "Farm marketing quota" for any farm for any marketing year shall be the number of pounds of tobacco obtained by multiplying the farm yield by the acreage allotment prior to any adjustment for under marketing or over marketing, increased for under marketing or decreased for over marketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if marketing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: *Provided*, that the farm marketing quota for any marketing year shall not be increased for under marketing by an amount in excess of the number of pounds determined by multiplying the acreage allotment for the farm for the immediately preceding year prior to any increase or decrease for under marketing or over marketing by the farm yield. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

FARM YIELDS

[There is no provision of present law prescribing the manner of determining farm yields of tobacco. However, in the case of false identification of tobacco or failure to account for the disposition of tobacco, sec. 314(a) provides for the imposition of a penalty based upon the "normal yield" of the excess acreage.]

(6) (a) "Preliminary farm yield" in the case of flue-cured tobacco means a farm yield per acre of tobacco determined by averaging the yield per acre for the three highest years of the five consecutive crop years beginning with the 1959 crop year and adjusting such yield to: (i) 130 per centum of the county average yield if the average yield so

computed exceeds 130 per centum of the county average yield, or (ii) 70 per centum of the county average yield if the average yield so computed is less than 70 per centum of the county average yield.

(b) "Preliminary farm yield" means in the case of kinds of tobacco other than flue-cured, a farm yield per acre of tobacco determined by averaging the yield per acre for such of the five years used in determining the county average yield as the Secretary determines to be representative and will result in a fair and equitable relationship among farms. In determining the preliminary farm yield, the Secretary may provide maximum and minimum percentage levels in relation to the county average yield.

(7) "Farm yield" means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm prior to adjustments for over marketing, under marketing, or reductions required under subsection (f) and dividing the sum of the products by the national acreage allotment.

COUNTY AVERAGE YIELDS

No provision.

(5) "County average yield" means in the case of flue-cured tobacco the five-year average yield of tobacco per acre in the county for the five consecutive years beginning with the 1959 crop year as determined by the Secretary and in the case of other kinds of tobacco the five-year average yield of tobacco per acre in the county for the five most recent crop years for which data are available, as determined by the Secretary.

[The county average yield is used only as a limitation in adjusting preliminary farm yields.]

(Existing law on left—proposed bill on right)—Continued

(References are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)—Continued

PENALTIES

PENALTIES

SEC. 314. (a) The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 75 per centum of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year. Such penalty shall be paid by the person who acquired such tobacco from the producer but an amount equivalent to the penalty may be deducted by the buyer from the price paid to the producer in case such tobacco is marketed by sale; or, if the tobacco is marketed by the producer through a warehouseman or other agent, such penalty shall be paid by such warehouseman or agent who may deduct an amount equivalent to the penalty from the price paid to the producer: *Provided*, That in case any tobacco is marketed directly to any person outside the United States the penalty shall be paid and remitted by the producer. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in excess of the farm-acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. Tobacco carried over by the producer thereof from one marketing year to another may be marketed without payment of the penalty imposed by this section if the total amount of tobacco available for marketing from the farm in the marketing year from which the tobacco is carried over did not exceed the farm marketing quota established for the farm for such marketing year (or which would have been established if marketing quotas had been in effect for such marketing year), or if the tobacco is carried over does not exceed the normal production of the number of acres by which the harvested acreage of tobacco in the calendar year in which the marketing year begins is less than the farm-acreage allotment. Tobacco produced in a calendar year in which marketing

SEC. 317. * * *

(g) When marketing quotas under this section are in effect provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

(1) No penalty on excess tobacco shall be due or collected until 100 per centum of the farm marketing quota for a farm (105 per centum for the first year a national marketing quota established under this section is in effect if the acreage harvested from the farm is not in excess of the farm acreage allotment) has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable and collected at the time of marketing on each pound of tobacco marketed.

quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though it is marketed prior to the date on which such marketing year begins.

(b) The Secretary shall require collection of the penalty upon a proportion of each lot of tobacco marketed from the farm equal to the proportion which the tobacco available for marketing from the farm in excess of the farm marketing quota is of the total amount of tobacco available for marketing from the farm if satisfactory proof is not furnished as to the disposition to be made of such excess tobacco prior to the marketing of any tobacco from the farm. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States until the end of the marketing year next succeeding that in which the funds are collected, and upon certification by the Secretary there shall be paid out of such special deposit account to persons designated by the Secretary the amount by which the penalty collected exceeds the amount of penalty due upon tobacco marketed in excess of the farm marketing quota for any farm. Such special account shall be administered by the Secretary, and the basis for, the amount of, and the person entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive.

(2) When marketing quotas established under this section are in effect the provisions with respect to penalties contained in the third sentence of subsection 314(a) shall be revised to read: "If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 percent of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment and the penalty in respect thereof shall be paid and remitted by the producer."

(3) For the first year a marketing quota program established under the provisions of this section is in effect, the words "normal production" where they appear in the fourth sentence of subsection (a) of such section shall be read "farm yield" and the said fourth sentence shall otherwise be applicable. For the second and succeeding years for which a program established under the provisions of this section is in effect, the provisions of subsection (a)(8) shall apply when penalties, if any, on carry-over tobacco are computed, and the provisions contained in the fourth sentence of subsection 314(a) shall not be applicable.

LEASE OF ACREAGE ALLOTMENTS

SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962, 1963, 1964, and 1965, the owner and operator of any farm for which a tobacco acreage allotment (other than a Burley tobacco acreage allotment or a cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment) is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met. In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of 1962 or 1963 allotment from

SEC. 317. * * *

(f) * * * Acreage allotments and farm marketing quotas determined under this section may be leased under the terms and conditions contained in section 316 of this Act, except that (1) the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields, and (2) any credit for under marketing or charge for over marketing shall be attributed to the farm to which transferred.

(Existing law on left—proposed bill on right)—Continued
 (References are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)—Continued

LEASE OF ACREAGE ALLOTMENTS—Continued

the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961, nor shall a farm be eligible for lease of 1964 or 1965 Maryland tobacco allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted on such farm during each of the two immediately preceding years.

(b) Any lease shall be made on an annual basis and on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree.

(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased

from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

(c) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided*, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.

(g) Notwithstanding the provisions of subsection (c) relating to the filing of a lease with the county committee, the lease and transfer of an allotment for the 1964 crop year shall be effective if, (1) the Secretary finds that a lease in compliance with the provisions of this section was agreed upon prior to the normal planting time in the county, as determined by the Secretary, or June 15, 1964, whichever is earlier, and (2) the terms of the lease are reduced to writing and filed in the county office in which the farms involved are located within twenty days of the date the 1964 amendment to this subsection become law.

EFFECT OF PLANTING TOBACCO WITHOUT ALLOTMENT

(j) The production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsections (b) and (g) hereof: *Provided, however*, That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsections (c) and (g) hereof, but such production shall not be deemed past tobacco experience for any producer on the farm.

SEC. 2. Subsection (j) of section 313 of the Agricultural Adjustment Act of 1938, as added by Public Law 361, Eighty-fourth Congress, approved August 11, 1955, is amended by inserting immediately following the language "(g) hereof" wherever it appears in said subsection the language "or section 317".

(Existing law on left—proposed bill on right)—Continued

(References are to the Agricultural Adjustment Act of 1938, unless otherwise indicated)—Continued

ELIGIBILITY FOR PRICE SUPPORT

(Agricultural Act of 1949)

SEC. 408. * * *

COOPERATOR

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn or wheat to a producer outside the commercial corn-producing or wheat-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

BASIC AGRICULTURAL COMMODITY

(c) A "basic agricultural commodity" shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

SEC. 317. * * *

(h) Price support under the Agricultural Act of 1949, as amended, shall not be made available for tobacco sold in excess of the farm marketing quota (105 per centum of the farm marketing quota for the first year a national marketing quota established under this section is in effect if the tobacco harvested from the farm is not in excess of the farm acreage allotment), or for any tobacco harvested from a farm from which tobacco is harvested from acreage in excess of the farm acreage allotment.

Senator JORDAN. Senator Miller.

Senator MILLER. Thank you, Mr. Chairman.

Mr. Secretary, at the end of your paper is an example of acreage-poundage program for Flue-cured tobacco. I would like to refer to that for a moment. Would it be correct to assume that for the year 1966 there would be a similar computation made with respect to burley tobacco and a separate computation made with respect to dark tobacco as well as Flue-cured tobacco?

Mr. GODFREY. Senator Miller, we have not yet agreed upon the years in determining the yield for burley and dark tobacco, but if it was agreed that we would use a 5-year period and the 3 highest years, it would be a similar computation, yes.

Senator MILLER. I understand that. You might, for example, determine the 2 highest years or you might determine a different combination of years but with the same format and procedure in arriving at a farm marketing quota; each individual farm marketing quota would be arrived at.

Mr. GODFREY. Yes, sir. This would be essentially the same format.

Senator MILLER. Then is it likely if this bill is passed that for the year 1966 there would be some farms that would have separate computations to determine their marketing quota for burley tobacco and the same farm would have a quota for dark tobacco and the same farm would have a quota for Flue-cured tobacco?

Mr. GODFREY. We have farms that have quotas for dark and burley, but I do not believe we have any individual farms now that have a Flue-cured quota along with burley and dark tobaccos.

Senator MILLER. Not now?

Mr. GODFREY. Not now.

Senator MILLER. But in 1966 it would be that way, perhaps?

Mr. GODFREY. You would not have farms having the same quotas. The Flue and dark and burley are not grown in the same areas.

Senator MILLER. Would it be possible in the same county to have that?

Mr. GODFREY. There may be a half dozen counties where Flue-cured is grown and burley is grown in another part of the county. This is right, sir. Not over half a dozen counties, though. But not on the same farm.

Senator MILLER. All right.

Now I realize that you people have some magnificent research facilities, but I must say I am amazed to read the second paragraph there which says that:

Research data indicates that a national average yield of about 1,850 pounds would result in determining a national average yield.

With all of the different qualities, types, and kinds of tobaccos and different prices for each quality, I am wondering how this can be done. It taxes my imagination, and I am wondering if this has in fact been done, calculated out on the basis of the market price, the relative market price, qualities, kinds, so that you can say as a basis for this whole computation that the national average yield goal should be 1,854 pounds per acre.

Mr. MURPHY. First, I think, Senator, this is intended to apply and does apply only in the case of Flue-cured tobacco. Even limited that way, it covers a lot of tobacco in a fairly wide geographical area.

The next thing I would say is that it certainly cannot be precise.

I think it is undoubtedly true that if you set targets so that people aim at producing this much tobacco—which is several hundred pounds less per acre than the average yield in recent years—that they can be expected to produce tobacco of a better quality than under the present system.

If we go beyond that and get to the question of how this particular number was arrived at, I will have to yield to someone else, because I did not participate in the exercise.

Senator MILLER. May I say, Mr. Secretary, I appreciate that you cannot come out with an exact figure on something like this, and I do not believe anybody expects you to do so. But I am just wondering if we might have the committee furnished a computation of how this was arrived at so we could evaluate the basic data that go into this.

Mr. MURPHY. We will be glad to provide that.

Senator MILLER. And in that connection I think it might be helpful if we were furnished an explanation of how this can be used with reasonable accuracy, taking into account the differences in production, the various farms, the soil differences, quality differences. As I understand it, there are some farms which may have the same acreage as others, but their quality production can be much higher than in other farms.

How does this computation take that into account? If we could have an answer to that, Mr. Chairman, I think it would be helpful to the committee.

Mr. MURPHY. We will be glad to provide that.

(For the information requested above, see statement of W. D. Touissant, member of the task force, National Tobacco Industry Advisory Committee, beginning on p. 198.)

Senator MILLER. Now, a second question is this, pertaining to page 2 of this computation: Why do we have to get into counties? Why can we not just bypass counties and go into preliminary farm yield for each farm?

Mr. GODFREY. This is recommended by the task force and also by the Advisory Committee for two specific reasons, I would guess.

One is that they wanted to place a top limit on individual farmers who may have attempted, during the base period, to increase their yields materially without any regard to quality whatsoever, so they did not want him to benefit to a very large degree by so doing.

Then the bottom limit was placed in the act to take care of maybe change in farm operation, farmownership, where a particular farmer could produce a much higher yield and a much better quality tobacco than another farmer who had formerly operated the farm.

Senator MILLER. I recognize the equity of what you have just said, but why can't that pertain by just simply establishing the national allotment and then the preliminary yield for each farm without going through the county computation, and then use the same approach if somebody is 130 percent over the 5-year average for the national group? Why do we have to get down to the county group?

Mr. GODFREY. Because of the wide variation in county yields between the different counties.

We have some counties producing Flue-cured tobacco with an average yield of around 1,400 pounds per acre, and some other counties with an average yield of approximately 2,600 pounds per acre.

Senator COOPER. Will the Senator yield?

Senator MILLER. Yes, I would be happy to.

Senator COOPER. Would not this be correct also; you have great soil differences in different counties?

Mr. GODFREY. Yes, sir.

Senator COOPER. If you followed the suggestion made by my good friend, you would have some counties where individual farm yields might never reach the general average; you would have others with fine soil which is naturally good, and many farms in these counties would be cut so low that it would be inequitable to them.

Mr. GODFREY. In our area of the country, Senator Cooper, any area where Flue-cured tobacco is grown, we are not as fortunate as they are in the good State of Iowa, where they have pretty uniform soil conditions, and we have been farming ours about 200 years, a little longer than you have in Iowa. We have varying types. In some cases we are farming the subsoil.

Senator MILLER. I appreciate that, but why can't we determine a preliminary farm yield for each farm on the basis of its historical record, without worrying about the county. You are going to have to do this anyhow to determine whether or not it averages more than 130 or whether its average is below the county average. You are going to have to have each farm's historical data anyhow.

Why do we have to go into the county average on this? Why can we not take the individual farm yield, historical yield?

Mr. GODFREY. Let us relate this to a specific example, then, Senator Miller. If we take a county that has a 5-year average yield now of 2,600 pounds and we took 130 percent of the 1,850 national average, this would be approximately 2,500 pounds as the limit that would be applied to any particular farm.

Now, certainly in a county with the 2,600-pound average yield, you have many farms who have an average yield of 3,000 pounds. So you would be reducing that farm from an average yield of 3,000 pounds down to 2,500.

Conversely, on the other end, you have a county with a yield of only 1,200 pounds per acre, which is under 70 percent of the 1,850. You would be raising farms there. In that county you would have farms with a farm yield of only 1,800 pounds per acre, and you would be raising him up.

Because of the wide variance in county yields which is occasioned by the difference in soil types, and some cases difference in management of the farms, it is necessary that we do consider county yield.

Senator MILLER. All right. Thank you. Now, why do we use the 130/70 percent figures here without any recognition of the relative quality of yield? Is it practical or is it fair to take into account quality of the yield rather than just the quantity?

Mr. GODFREY. We do not have any records of the quality produced on individual farms. We do have records of the amount of pounds produced on each individual farm. We cannot take into account the actual quality.

Senator MILLER. Then why do we use 130 and 70?

Mr. GODFREY. It was an agreed-upon percentage, and I might say the task force and the advisory committee—there was some difference of opinion on this. Some wanted a wider variance, some wanted

a much narrower variance, from 85 to 115, and some went from 60 to 140. After quite a bit of discussion and some briefing by an economist, they convinced them that 130 and 70 were the best figures.

Senator MILLER. You say in this example if we use 130 that it will affect about 10 percent of the farms.

Mr. GODFREY. Yes.

Senator MILLER. Suppose we used 140. Do you have that calculated out on a percentage of farms that would be affected?

Mr. GODFREY. I will have to determine whether we did any calculation on that or not.

No, we did not.

Senator MILLER. Would it be feasible for you to get those figures for the committee?

Mr. GODFREY. It is based on a sample, now, that we had of several counties. It would be feasible to get this, and we could provide you with this; yes—based on the sample that this 130 was based upon—yes.

Senator MILLER. Yes. This 10 percent is an estimate based upon a sampling.

Mr. GODFREY. Yes.

Senator MILLER. If you could perhaps scale it out for the committee, I think this might be helpful, too, Mr. Chairman. Determine whether if, for example, we go into 140 we might have only 2 percent of the farms affected.

I have no further questions. Thank you very much.

(The information is as follows:)

Based on sample data, it is estimated that a maximum limit for an individual farm's yield set at 140 percent of the 1959-63 average county yield would affect about 3 percent of the farms growing Flue-cured tobacco. Setting a minimum limit for an individual farm's yield at 60 percent of the 1959-63 average county yield would affect less than one-half of 1 percent of the farms growing Flue-cured tobacco.

Senator JORDAN. Thank you very much. If you carry this thing far enough, you have to take into consideration how each individual farmer works, how hard he works. I had a case a few years ago where this lady wanted to sell her farm to me because it adjoined mine. I went over to look at it. There was a beautiful oak tree right in the yard there, and I said, "Why do you want to sell this farm?"

She said, "That tree ruins it."

I said, "I don't see how that tree ruins it."

She said, "You see my brother sitting under it?"

That is where he did all of his farming.

So that should be taken into consideration, also.

Any further questions from the members of the committee?

Mr. Murphy, we appreciate your testimony very much. It is very fine, and with the information that has been asked for, I think that we can arrive at a conclusion on this bill.

Did you have anything that you wanted to state further on this?

Mr. MURPHY. I believe not, Mr. Chairman. Thank you very much. We are glad to have this opportunity to appear, and we will be glad to give the committee any assistance that you wish by way of drafting or further information from time to time.

The CHAIRMAN. Thank you very much.

Thank you, Mr. Godfrey. You do not have to leave because you get off the witness stand here.

Mr. MURPHY. Thank you.

Mr. GODFREY. Mr. Chairman, we may have to leave, Mr. Murphy and myself, but we will have some technicians here from the Department who will be available through the entire hearing to furnish you any information you desire.

Senator JORDAN. Thank you very much.

Mr. Harry L. Graham, legislative assistant to the master of the National Grange.

Mr. Graham, will you come up here. We are mighty happy to have you with us this morning.

Mr. Graham represents a very fine organization. I was talking to Mrs. Harry Caldwell, your master in North Carolina the other day, on this program. In fact, I talked to her before we ever introduced this bill. I got the distinct feeling and understanding from her that the Grange was strongly behind some form of acreage-poundage control of tobacco.

We are glad to have you with us today, and we will be glad to hear from you.

STATEMENT OF HARRY L. GRAHAM, LEGISLATIVE REPRESENTATIVE, NATIONAL GRANGE

Mr. GRAHAM. Mr. Chairman, I am glad to be here also. Before I present this written testimony, which won't take too long to present, may I say that the North Carolina Grange as I understand it, will have somebody to testify tomorrow and the Virginia State Grange will join in a joint statement with the other farm organizations of Virginia.

Senator JORDAN. That is correct.

Mr. GRAHAM. I think what I will do in light of the time is simply file the statement and make a few comments about it, and then answer any questions which you have, or are we going to have time to even do that?

Senator JORDAN. That will be perfectly satisfactory.

(The statement referred to follows:)

My name is Harry L. Graham, legislative representative of the National Grange. It has long been apparent to the casual observer of the American scene that the use of acreage limitations as a basis for production controls cannot work in an expanding technology which rapidly increases agricultural production. The National Grange has long been concerned with the continuation of this outmoded and ineffective means of attaining the production objectives of the Agricultural Adjustment Act of 1938.

We have seen the development of hybrid seeds for almost all crops with greatly expanded production characteristics built into the seeds through advanced plant breeding. We have watched improvements in the fertilizers and their use, weed and pest control measures, revised planting procedures such as narrowing the rows and increasing the stand in corn, skip row planting in cotton, along with many other measures which have been a part of the technological revolution and the expansion of production which is so characteristic of American agriculture.

In our judgment there is no question but that some of these practices have been carried out with the deliberate intention of avoiding wholehearted participation in the spirit and letter of our production control legislation. The adoption of some of these practices by a few requires that they also be adopted by the rest of those who produce the commodities in order that they can stay in competition and even stay in business. Thus, we have built into our system of production

controls the basis for its own destruction and, although this is not the only cause for the greatly expanded surplus of tobacco that will be carried over this year, it certainly is a major contribution toward that problem.

The National Grange has held for many years that if we are going to have production controls, the controls should be expressed in terms of the unit that is used in the marketing of the commodity rather than in the acres which are permitted to be in production. In other words, we believe that quotas for cotton should be in bales, for tobacco in pounds, and for wheat, corn, rice, etc., in bushels.

It was with this in mind that the National Grange adopted the following resolution at its 98th annual session in Atlantic City, N.J., on November 1 1964:

"Whereas, the tobacco control program has served the farmer well in stabilizing prices and farmers realize the absolute necessity of adjusting the program to meet the changing conditions arising out of increased yields per acre and mounting surplus stocks: Therefore be it

"Resolved, That the National Grange favor a control program based on acreage and poundage allotments. Such a program will remove the incentive to maximize pounds at the expense of quality and provide an effective means of limiting output to market needs and enable the grower to maintain his share of the market without engaging in a race with other growers to produce more per acre."

A study of S. 821 introduced by the distinguished Senators from North Carolina, Mr. Jordan and Mr. Irwin, has been studied with the instructions of the delegate body of the National Grange in mind. We find and are pleased to tell the committee that this bill which has been proposed would carry out the basic principles of Grange agricultural policy and especially as applied to tobacco.

Although the mechanics which are proposed for implementing this legislation are somewhat complicated and would be difficult for the average producer to understand, we view this as proper legislative procedure in that the administrative procedures as far as possible are written into the law for the purpose of directing the administration of this bill within the intent of the Members of the Congress and those of us who support the legislation.

We also note with approval the fact that this does give a little bit of leeway in a transitional period for producers, and that the provision that growers could sell up to 5 percent more than their poundage allotments the first year and then charge it against the next year's production is a reasonable method of making the transition from the acreage control to the acreage-poundage control.

The proposals to limit preliminary farm yields to 130 percent of the county average and to bring them up to 70 percent if they are under that percentage of the county average would prevent the building-in of quotas at a level that had been attained by those fortunate enough to have the capital to obtain the highest possible yields per acre, and at the same time it gives those who have been a little slower to adopt these methods an opportunity of gaining some in equity. The only question we would raise as to whether or not that 50-percent spread is too large. Although we do not have a policy on this matter and will not make a point of objecting to it at its present level, I think we would support with considerable enthusiasm attempts to bring this difference down.

Another feature of this part of the bill which we like is the carryover provision of the allotment which will permit a person who does not come up to his quota in 1 year to increase his production the following year. This is also a form of crop insurance and income protection which has considerable merit in light of the excessive drought conditions that have affected some of our producing areas during the last couple of years.

We, therefore, urge favorable action on this proposed legislation by this committee and by the Congress.

Mr. GRAHAM. Actually we would point out that the National Grange has, for many years, been in favor of a type of control which recognized the units of production and placed less dependence on acreage.

The reasons have already been given here this morning, and just as adequately as I can give them.

The main reason is it has not worked very well. We have continued to cut acreage, and we have increased our problems without coming to any substantial answers.

The end results, and we have particular interest in this field, as it relates to the family farmers, is that their acreages are simply cut

to the point where they are relatively meaningless in terms of having enough income to provide for the necessities of life.

We are concerned about the decrease in quality that comes from the emphasis that is almost entirely on production. This is afflicting a part of the tobacco industry. It is to some extent in cotton. It was a very real problem in wheat, and necessitated a cutting off of a great number and varieties of wheat from the support system because of the action that had been taken by the farmers.

I understand that there has been a shift in the production of cotton in California from the type of long-staple cotton that was in highest demand to the type of cotton that is not quite so much in demand in the market simply because pounds or the bales can be increased by changing the variety of cotton that is grown.

We think this bill comes to grips with the problem about as well as anything that could be done. I will just read for your hearing and the hearing of the folks that are here that don't have copies the resolution which we passed this last year, which incidentally originated in the North Carolina State Grange. It is very simply:

Whereas the tobacco control program has served the farmer well in stabilizing prices and farmers realize the absolute necessity of adjusting the program to meet the changing conditions arising out of increased yields per acre and mounting surplus stocks: Therefore be it

Resolved, That the National Grange favor a control program based on acreage and poundage allotments. Such a program will remove the incentive to maximize pounds at the expense of quality and provide an effective means of limiting output to market needs and enable the grower to maintain his share of the market without engaging in a race with other growers to produce more per acre.

The only comment I would have about the bill, and this is one which starts every time we talk about setting quotas, is that I think the committee should be extremely careful that the basis for setting these quotas will represent and reflect the historical relationships between the growers of the different areas.

In the illustration of the way this would work, I notice that the State relationships are changed slightly after application of the program from what they are at the present time. I think it behooves all of us, and I am sure that the Senators on this committee are interested in doing the same to be sure that this doesn't get into an argument between States about who is getting the best of the deal. This is the thing that can hurt us awfully fast on any of these programs.

Outside of that, I have no particular comment. We have in the testimony that we would prefer to see the difference between this 130 and 70 percent a little smaller, but Mr. Godfrey gave the reasons for putting it at that point, and the reasons appear to be valid, and we are not going to press that at all. We wouldn't have pressed it anyway.

We are in favor of the bill. We support it. We hope the committee will support it, and that the Congress will adopt it.

Senator JORDAN. Thank you very much, Mr. Graham.

Senator TALMADGE, did you have any questions?

Senator TALMADGE. No questions.

Senator JORDAN. Mr. Bonner.

Mr. BONNER. No.

Senator JORDAN. Senator Miller.

Senator MILLER. No.

Senator JORDAN. Your statement will be put in the record in its entirety and we appreciate your remarks and appreciate your being

here and we hope you will be here tomorrow to hear the people who testify from North Carolina.

Mr. GRAHAM. I will be here tomorrow. Thank you for your courtesy.

Senator JORDAN. Mr. Palmer, chairman of the Tobacco Acreage-Poundage Legislative Committee.

We are glad to have you with us this morning, Mr. Palmer. We will be glad to hear from you at this time.

STATEMENT OF JOHN D. PALMER, CHAIRMAN, TOBACCO ACREAGE-POUNDAGE LEGISLATIVE COMMITTEE

Mr. PALMER. Mr. Chairman and distinguished Members of the Congress, my name is John D. Palmer. I am employed by Tobacco Associates, Inc., 1025 Connecticut Avenue, Washington, D.C.

This organization is supported almost entirely by Flue-cured tobacco growers. There are allotments on 198,000 farms in 6 States, and in the last referendum 356,000 eligible voters participated.

I have been in the tobacco business continuously for 37 years with the exception of 3 years in military service during the last war. During those years, and beginning in 1934, I have repeatedly visited practically every country in the world on matters pertaining to the sale of American tobacco, including what is now Red China. I personally know every manufacturer of importance in the free world which uses American tobacco. I am appearing here today as chairman of the Tobacco Acreage-Poundage Legislative Committee, which includes some 65 representatives from tobacco-producing areas in the United States. I believe, therefore, that I am competent to testify in the matter with which we are concerned here today.

It was known many years ago that changes were necessary in the tobacco control program. It first became evident after the 1955 crop when nearly 300 million pounds went under loan. It became glaringly evident in 1956 when more than 300 million pounds of Flue-cured went under loan.

In the 3 crop years from 1955 to 1957, acreage cuts were made totaling 37 percent. It was said at the end of the 1956 crop that there was nothing wrong in the tobacco situation that a short crop would not cure. That argument was fallacious on two scores.

First, there is no such thing as a short crop under straight acreage control unless an act of God joins forces with the proclaimed cut. That was once again borne out in the 1964 crop when acreage was cut 10 percent, as the Secretary pointed out a moment ago, yet yields increased 11½ percent with the net result that more tobacco was grown in 1964 than in 1963. If no change is made for the 1965 crop, every effort will be made to produce as much in 1965 to offset the 19½-percent acreage cut, and I am convinced that farmers will be able to do it.

The second fallacy flows from the first. The more acreage is reduced, the more quality is reduced, because of the use of high-yielding varieties and cultural practices. The more quality is reduced the more open market demand is reduced.

The procedure under which we have been working has, therefore, played directly into the hands of our competitors overseas, notably Canada, India, and Rhodesia. No competent judge of tobacco will deny that large percentages of recent crops are of no better quality

than foreign growths, and under our price support for Flue-cured, which is now over 57 cents per pound, our competitors are able to undersell us in every market in the world. We can produce the finest tobacco under the sun and our customers overseas will pay a premium for standard American tobacco, but they will not pay Tiffany prices for costume jewelry.

In many respects we are rapidly approaching a point of no return. I am convinced that we will reach that point before the end of this year if we continue on straight acreage alone. The legislation proposed by our committee, which was endorsed by 57 of the 65 members, and which was introduced under S. 821 by the distinguished senior Senator from North Carolina, the Honorable B. Everett Jordan, and cosponsored by Senator Ervin, has the support of the National Tobacco Industry Advisory Council, the U.S. Department of Agriculture, and the President of the United States. I think its basic principle also has the support of a large majority of responsible, conscientious tobacco producers in all tobacco-growing areas. Its purpose is to enable us to stop and stop far short of a point of no return. It is designed to accomplish four principal objectives:

1. To reduce the flow of tobacco going under loan and, indeed, to reverse that trend.
2. To produce tobacco for which there is open market demand.
3. To sharply reduce the cost of the program to the taxpayer.
4. Of greater importance, to save the program.

The soundness, the desirability and the advantages of these four objectives cannot be questioned. Each of the four is a separate link in a chain and like a chain the four are inseparable.

Not since the depression years has the tobacco producer been faced with problems of the magnitude he faces today. Not since then, either, has the possibility of solving these problems been more favorable or hopeful. Not since then has there been the awareness of thoughtful producers that changes must be made and made quickly; an awareness clearly recognized and fully appreciated by the Department of Agriculture, by Members of Congress from the tobacco-producing States and by the President of the United States himself. It is one of those rare occasions, if I may quote from something that was said several hundred years ago, when

There is a tide in the affairs of men
Which taken at the flood leads on to fortune
Omitted, all the voyages of their life
Is bound in shallows and miseries.

Mr. Chairman, I would like for my testimony to include statements from a number of our major customers in the United Kingdom and Europe for Flue-cured tobacco. They are in the form of cables and letters, the originals of which I have here and copies of which I would like to file for the record. Details of this acreage-poundage were sent to these people with a request for their comments, and here are their answers. I would be glad to read them in full but with your permission I would like to read excerpts from a few of the more representative ones.

Senator JORDAN. That would be perfectly satisfactory, and they will be included in the record at the conclusion of your remarks.

Mr. PALMER. Thank you, sir.

The first is from the Imperial Tobacco Co. of Britain and Ireland.

Please accept our emphatic confirmation and endorsement of your action. This legislation urgently required as intelligent approach to problems of crop control and return to producing quality tobacco throughout the Bright Belt.

As was pointed out a few minutes ago, the Imperial Tobacco Co. is the largest single individual foreign purchaser of tobacco, and I think later in the day their representative, or tomorrow, Mr. Chairman, may elect to comment further.

From the second largest importer of American tobacco in the United Kingdom, the firm of Gallaher, Ltd., and which I believe buys in excess of 25 million pounds per year, there is comment by the managing director:

My company, as large buyers of American Flue-cured tobacco, would like to tell you that we strongly support this measure, if by this means the problem of crop control can be solved intelligently. We also support it strongly if this means the return to production of better quality tobacco throughout the Flue-cured Belt.

Also from London, from the largest single tobacco company in the entire world, the British-American Tobacco Co., Ltd., this statement:

We, as users of U.S. leaf in many parts of the world, fully endorse any legislation which is likely to assist in the production of quality tobacco throughout the Bright Belt.

From one of the largest manufacturers in the Benelux countries, the firm of Heintz VanLandewyck of Luxembourg. I am not reading these in total, only excerpts, Mr. Chairman:

The introduction of acreage control was in essence established to limit the quantity of tobacco grown to a reasonable level. As through the last years it definitely does not limit the crop but only deteriorates the quality because of the farmers' amplified use of chemicals, it is unrealistic to think of it as the right politic, because it lost the reason for which it was established.

Therefore, we can only emphatically endorse this new proposed legislation as of being an intelligent approach to solve this very annoying problem for all manufacturers and, last not least, for the Department of Agriculture itself.

One letter, Mr. Chairman, I ask permission to read in total, because it expresses more clearly perhaps than all of the others. It is from the firm of Tiedemanns in Norway, a firm which enjoys about 90 percent of the entire business in Norway:

It is understood that Senator B. Everett Jordan has recently introduced a bill to Congress, in which he proposes acreage and poundage control of Flue-cured tobaccos. With the vast quantities of tobacco of doubtful quality in stabilization stocks, this legislation should, I feel, be emphatically supported by all interested in the future of American Flue-cured tobaccos.

In the past, American-grown tobacco was considered to be the best that could be bought. However, the quality of Flue-cured tobaccos has been falling off year after year while prices have risen. As a result, tobaccos from other parts of the world have become more attractive, not only because of their reasonable price but, also, because the quality of these tobaccos has improved and they have become worthy substitutes for the American product that can be purchased today.

As late as in 1952, virtually all this country's purchases of Flue-cured tobacco were made in the United States. Twelve years later about a third of these purchases consist of tobaccos from other parts of the world. As you will appreciate, changes of this nature cannot be done too rapidly, but these figures show the trend that has started and will have to be continued, unless the quality of American-grown tobacco improves.

Although American tobaccos are the backbone of most of my blends today, it must be realized that this backbone is being strained to its uttermost. If American tobaccos can be improved qualitywise, the usage of "offshore" tobaccos could be halted at its present level and, over a period of time, may even be reduced.

I am as interested as the American farmer and tobacco dealer in the betterment of the quality of Flue-cured tobaccos. I very definitely prefer good quality American tobacco for any other growth and anything that can be done to improve the current position will receive my wholehearted support.

From the largest single manufacturer of tobacco, of cigarettes, in West Germany, the firm of H. F. & P. W. Reemtsma of Hamburg. This is a cable:

After 10 years continuous efforts toward an improved tobacco program our company strongly welcomes the new acreage-poundage bill recently introduced to Congress which we consider an intelligent approach to solve the enormous problem of crop control and the return to producing quality tobacco throughout the Bright Belt. We definitely hope that legislation on this bill can be completed to be in effect for the 1965 season.

From an almost equally important manufacturer in West Germany, the firm Martin Brinkmann of Bremen:

This new bill is, in our opinion as buyers of considerable amounts of U.S. leaf tobacco, of utmost importance for all American tobacco farmers and also the tobacco industry. Especially the tobacco industry in foreign countries had for the past years an enormous problem in obtaining and buying American leaf tobaccos with sufficient quality and flavor for their manufacturing products. The European tobacco industry pays considerably higher prices in the United States for their supply in Flue-cured tobacco, prices which are much higher than the prices which they have to pay for Flue-cured tobaccos in other countries.

The foreign industry can keep up these higher prices only if they are able to purchase tobaccos with enough flavor and quality in the States. In our opinion this bill of acreage-poundage control is a major step in solving the problem of the lack of quality and aroma of today's production in the Bright Belt.

That concludes my statement, Mr. Chairman.

Senator JORDAN. Thank you very much, Mr. Palmer.

I want to correct one mistake you made. I am only senior to Senator Ervin in age. I am 15 days older than he is. We were born in the same month. But he is the senior Senator from North Carolina.

Mr. PALMER. My apologies to both of you, sir.

Senator JORDAN. I appreciate the compliment.

You have a very fine statement here, and I am particularly impressed with those cablegrams and letters you have had from your foreign customers, because they, in the final analysis, are the people who are going to determine how much American tobacco is bought overseas. The documents will be included in the record at this point (The documents referred to follow:)

JOHN D. PALMER,
Washington D.C.:

BRISTOL, February 15, 1965.

Understand you are strongly supporting new acreage-poundage bill recently introduced by Senator B. Everett Jordan to Congress. Please accept our emphatic confirmation and endorsement of your action. This legislation urgently required as intelligent approach to problems of crop control and return to producing quality tobacco throughout the bright belt.

IMPERIAL TOBACCO Co.

Mr. JOHN D. PALMER.
President, Tobacco Associates, Inc.,
Washington, D.C.

GALLAHER, LTD.,
London, February 5, 1965.

DEAR MR. PALMER: We understand that a new acreage-poundage bill has recently been introduced by Senator B. Everett Jordan to Congress and that this is up for discussion next week.

My company, as large buyers of American Flue-cured tobacco, would like to tell you that we strongly support this measure, if by this means the problem of crop control can be solved intelligently. We also support it strongly if this means the return to production of better quality tobacco throughout the Flue-cured belt.

You may use this letter in any way you think fit in relation to negotiations with Congress.

Yours sincerely,

E. J. FOORD.

BRITISH-AMERICAN TOBACCO CO., LTD.,
London, February 5, 1965.

JOHN D. PALMER, Esq.,
President, Tobacco Association, Inc.,
Washington, D.C.

DEAR SIR: We are given to understand that Senator B. Everett Jordan has recently introduced to Congress a bill to cover acreage-poundage for the production of U.S. Flue-cured tobacco.

We, as users of U.S. leaf in many parts of the world, fully endorse any legislation which is likely to assist in the production of quality tobacco throughout the bright belt.

Yours faithfully,

ALBERT E. BENNETT,
Manager, Leaf Department.

HEINTZ VAN LANDEWYCK,
Luxembourg, February 5, 1965.

Mr. JOHN D. PALMER,
President of Tobacco Associates, Inc.,
Washington, D.C.

DEAR MR. PALMER: We acknowledge receipt of Mr. J. D. Payne's cable asking our position concerning the new acreage-poundage bill for flue-cured tobacco recently introduced to Congress by Senator Jordan.

We can only confirm what the writer of this letter already told Mr. J. D. Palmer during his last visit in Washington D.C.: The only realistic approach for the solution of the crop control problem and the return to quality tobacco throughout the bright belt, is a simultaneous limitation of acreage and poundage.

The introduction of acreage control was in essence established to limit the quantity of tobacco grown to a reasonable level. As through the last years it definitely does not limit the crop but only deteriorates the quality because of the farmers' amplified use of chemicals, it is unrealistic to think of it as the right politic, because it lost the reason for which it was established.

Therefore, we can only emphatically endorse this new proposed legislation as of being an intelligent approach to solve this very annoying problem for all manufacturers and, last but not least, for the Department of Agriculture itself.

With our kindest regards and all our best wishes, we beg to remain,

Very truly yours,

J. P. THILL.
ROBERT MEYER.

OSLO, NORWAY,
February 5, 1965.

Mr. JOHN D. PALMER,
Tobacco Associates, Inc., Washington, D.C.

DEAR SIR: It is understood that Senator B. Everett Jordan has recently introduced a bill in Congress in which he proposes acreage and poundage control of Flue-cured tobaccos. With the vast quantities of tobacco of doubtful quality in stabilization stocks, this legislation should, I feel, be emphatically supported by all interested in the future of American Flue-cured tobaccos.

In the past, American-grown tobacco was considered to be the best that could be bought. However, the quality of Flue-cured tobaccos has been falling off year after year, while prices have risen. As a result, tobaccos from other parts of the world have become more attractive, not only because of their reasonable price but, also, because the quality of these tobaccos has improved and they have become worthy substitutes for the American product that can be purchased today.

As late as in 1952, virtually all this country's purchases of Flue-cured tobacco were made in the United States. Twelve years later about a third of these purchases consist of tobaccos from other parts of the world. As you will appreciate, changes of this nature cannot be done too rapidly, but these figures show the trend that has started and will have to be continued, unless the quality of American-grown tobacco improves.

Although American tobaccos are the backbone of most of my blends today, it must be realized that this backbone is being strained to its uttermost. If American tobaccos can be improved qualitywise, the usage of "offshore" tobaccos could be halted at its present level and, over a period of time, may even be reduced.

I am as interested as the American farmer and tobacco dealer in the betterment of the quality of Flue-cured tobaccos. I very definitely prefer good quality American tobacco for any other growth and anything that can be done to improve the current position will receive my wholehearted support.

Any action you can take to further this cause will receive my full and unqualified endorsement.

Wishing you all success in this project, I remain,

Yours very truly,

J. L. TIEDEMANN'S TOBAKSFABRIK.
JOH. H. ANDRESEN.

HAMBURG, February 5, 1965.

MR. JOHN D. PALMER TOBACCO ASSOCIATES, INC.,
Washington, D.C.:

After 10 years continuous efforts toward an improved tobacco program our company strongly welcomes the new acreage poundage bill recently introduced to Congress, which we consider an intelligent approach to solve the enormous problem of crop control and the return to producing quality tobacco throughout the Bright Belt. We definitely hope that legislation on this bill can be completed to be in effect for the 1965 season.

WERNER NEIDEL, *Reemtsmafabrik.*

BREMEN, February 5, 1965.

MR. JOHN D. PALMER TOBACCO ASSOCIATES, INC.,
Washington, D.C.

DEAR MR. PALMER: Recently a new acreage poundage tobacco bill was introduced by Senator B. Everett Jordan to the American Congress. This new bill is, in our opinion, as buyers of considerable amounts of U.S. leaf tobacco, of utmost importance for all American tobacco farmers and also the tobacco industry. Especially the tobacco industry in foreign countries had for the past years an enormous problem in obtaining and buying American leaf tobaccos with sufficient quality and flavor for their manufacturing products. The European tobacco industry pays considerably higher prices in the United States for their supply in Flue-cured tobacco, prices which are much higher than the prices which they have to pay for Flue-cured tobaccos in other countries.

The foreign industry can keep up these higher prices only if they are able to purchase tobaccos with enough flavor and quality in the States. In our opinion this bill of acreage poundage control is a major step in solving the problem of the lack of quality and aroma of today's production in the Bright Belt.

We therefore suggest that you use all your influence that this bill will be passed in Congress.

Yours very truly,

MARTIN BRINKMANN AG.
D. POLACK.
D. FAHL.

ANDREW CHALMERS INTERNATIONAL LTD.,
Watford, England, February 5, 1965.

Mr. JOHN D. PALMER,
President, Tobacco Associates, Inc.,
Washington, D.C.

DEAR SIR: We understand that positive moves are now afoot to replace acreage control of tobacco production by poundage control.

We support this action as a first step to solving the serious problems arising from the acreage control system of the past, and believe that control of tobacco by weight is the only answer to the problem of continually mounting surpluses of tobacco in the hands of the Flue-cured Stabilization Corporation.

It is to be hoped that poundage control will bring to an end the bad cultivation practices of close planting, overfertilization, the use of certain varieties of high-yielding tobacco seed, and high topping of plants.

In giving our support to the bill recently introduced to Congress by Senator B. Everett Jordan, we must reserve our judgment on the actual details of the new control scheme until we have had time to study their implications.

Yours faithfully,

P. H. MACK,
Chairman and Managing Director.

BASILDON, *February 5, 1965.*

JOHN D. PALMER, Esq.,
President, Tobacco Associates, Inc.,
Washington, D.C.

DEAR SIR: I am taking this opportunity of writing to you as I feel that you might like to know that we heartily endorse the efforts you are making to influence the passage of the new acreage-poundage bill recently introduced by Senator B. Everett Jordan to Congress.

We feel that the introduction of acreage-poundage controls will go some way toward improving the overall quality of Flue-cured tobacco now being grown in the United States.

It is, of course, clear that the present system of acreage control alone has many flaws, not the least of which has been the encouragement of cultural practices on the part of the farmer to produce poundage at the expense of quality, and it is therefore hoped that the effects of the new bill will be to place greater emphasis on the quality aspects of American tobacco and in the normal course of events this must make American tobacco more acceptable to markets which have been forced to find alternative sources of supply.

We congratulate you in your efforts to support the bill and trust they will meet with some success.

Yours faithfully,

CARRERAS, LTD.
 C. R. L. MATCHETT, *Director.*

TABACOFINA S.A.,
Antwerp, February 5, 1965.

Mr. JOHN D. PALMER,
Tobacco Associates, Inc.,
Washington, D.C.

DEAR MR. PALMER: We have heard about the new acreage-poundage bill recently introduced by Senator B. Everett Jordan.

As a matter of principle, we are, of course, in favor of any measure that will improve the quality of Flue-cured tobacco.

Acreage-poundage control is a move in that direction. But we fear that, due to those steps, certain grades, especially export ones, may eventually disappear from the floors or show a sharp reduction in poundage. This would mean very higher prices for those types, with the consequence that eventually the continental manufacturers would have to be on the lookout for other sources of supply.

We have especially in mind certain grades of tobacco out of the nondescript group.

For further information, if required, will you please contact Mr. H. N. Visser, president of Cumberland Export Tobacco Co., Inc., Richmond, Va., who is taking care of our purchases?

With kindest regards, we are, dear Mr. Palmer,

Yours very truly,

UNION FINANCIÈRE BELGE DES TABACS.

H. PETTEROE TOBAKKFABRIKK,
Oslo, February 5, 1965.

Mr. JOHN D. PALMER,
Tobacco Associates, Inc.,
Washington, D.C.

DEAR MR. PALMER: I understand that you are fighting in favor of Senator B. Everett Jordan's bill to Congress for an acreage-poundage control.

If it can be of any help to you I want to give you my wholehearted support.

Every since acreage cuts started, usability of U.S. Flue-cured tobaccos has decreased, the result of which necessarily has led to switching over to Flue-cured tobaccos from other countries.

Wishing you full success in your endeavor to the benefit of the tobacco industry and the consumers.

Very truly yours,

II. PETTEROE.

BREMEN, February 5, 1965.

Mr. JOHN D. PALMER,
President of Tobacco Associates, Inc.,
Washington, D.C.

DEAR MR. PALMER: With great interest we have heard from our suppliers of Flue-cured Virginia tobacco that recently Senator Everett Jordan introduced to the Congress an acreage-poundage bill in order to build up the reorganization respectively the reform of the production of American Virginia tobaccos.

We think that the efforts in this direction should be of enormous interest to all growers and exporters of Flue-cured American Virginia tobaccos.

We know very well this problem as we had to state that in the course of the last years the European tobacco manufacturers are using more and more substitutes grown in other countries. The reason is that the quality of the original U.S. Virginia tobaccos has gone down and that the prices are considerably higher. If you should succeed in bringing up the quality of your tobaccos to their old well-known standard we are sure that you can increase your export again.

You know that our house has many old relations and friends among the American tobacco dealers and you may be assured that we have seen with deep regret the development of the Flue-cured tobacco business.

The circumstances have forced us to reduce the import of American Virginia tobaccos from year to year and to look after any other bright tobaccos grown in other parts of the world.

We hope that the Congress will accept the new acreage-poundage bill and that this will be the basis of the renewing of the production of first-quality Virginia tobaccos.

With our best personal regards we remain, dear Mr. Palmer,

Very truly yours,

HOFFMANN & LEISEWITZ.

LONDON.

PALMER TOBACCO ASSOCIATES,
Washington, D.C.:

Having spent average 3 months on Flue-cured markets every season bar one since prestabilization corporation days and regretfully observed accelerating deterioration in quality of crops, certainly from main export users point of view, most strongly support you in efforts to change existing control system to acreage poundage.

WADDELL SIEMSEN.

BRUXELLES, *February 5, 1965.*JOHN D. PALMER TOBACCO ASSOCIATES,
Washington, D.C.:

Belgian and Luxemburgian tobacco industry support warmly efforts to influence passage of the new acreage-poundage bill recently introduced by Senator B. Everett Jordan to Congress insofar as they do not involve a sensible reduction of supply of some export grades for which Europe and especially Belgium have a great and permanent need at reasonable prices.

P. KATTELA,
*In FEDTAB.*KOELENTELEX,
*February 5, 1965.*Mr. JOHN PALMER,
President, Tobacco Associates, Inc.,
Washington, D.C.

Reference is made to the new acreage-poundage bill recently introduced by Senator Everett Jordan to Congress. We strongly support this legislation to solve the problem of crop control for the benefit of more desirable qualities of Flue-cured tobacco. A solution which should be beneficial to the American farmers and all manufacturers using U.S. Flue-cured. We do hope this bill will pass in due time for the crop grown in 1965.

HAUS NEUERBERG KOELN.

SOCIÉTÉ FRANÇAISE DES TABACS EN FEUILLES,
*Paris, February 5, 1965.*Mr. JOHN D. PALMER,
President, Tobacco Associates, Inc.,
Washington, D.C.

Mr. PRESIDENT: We beg to acknowledge receipt of your letter of January 1 announcing us the appointment of Mr. James Denis Payne as your director for Europe.

We thank you for this information. We have the pleasure to know Mr. J. D. Payne and think that no other would have been more qualified and capable than he at this post.

We take the opportunity of the present letter to let you know that we have followed with interest in the U.S. tobacco revues all articles regarding the new acreage-poundage bill which was recently introduced by Senator B. Everett Jordan to the U.S. Congress.

As a firm specialized for so many years in the trade of leaf tobaccos and particularly in Flue-cured tobaccos of all origins, please allow us to give you our opinion in this matter.

We find since a few years that in a general way the quality of the Flue-cured tobaccos of the United States is slowly going down, probably due to a too strong production per acre, and we think that the amendment moved by Senator B. Everett Jordan represents an intelligent and constructive solution to solve the enormous problem of crop control and to return to producing quality tobacco throughout the bright belt, this permitting to your production to be exported more easily and giving full satisfaction to the buyers abroad.

We believe that our opinion is shared by the majority of merchants and manufacturers in Europe.

Very truly yours,

A. TARDY.

AMSTERDAM *February 5, 1965.*Mr. J. D. PALMER,
President, Tobacco Associates, Inc.,
Washington, D.C.

GENTLEMEN: We understand that a new acreage-poundage bill has been introduced to Congress by Senator B. Everett Jordan.

We fully endorse this proposal as being an intelligent approach to solve the problem of crop control and as a first step to produce better quality tobacco throughout the bright belt.

We may add that the latter can only be achieved through improved cultural practices and not by eliminating lower leaf.

Sincerely yours,

TURMAC TOBACCO Co., N.V.

STICHTING SIGARETTENINDUSTRIE,
The Hague, Netherlands, February 5, 1965.

Mr. JOHN D. PALMER,
President, Tobacco Associates, Inc.,
Washington, D.C.

DEAR MR. PALMER: On several occasions, notably during my visit 2 years ago, you informed me of the limited effect the acreage control produced because in the course of years it led to an artificial rise of the poundage per acre accompanied by the deterioration of quality.

It is understandable that you aim at the institution of a control on yield and thus on quality, as well as on acreage. I understand that a bill has been introduced to Congress to that effect.

If you should ask me whether such a double control would also be in the interest of the industry, I think the answer ought to be in the affirmative for the obvious reason that the industry wishes to make a quality product. Naturally, the reservation must be made that such a control would be regulated in such a way as to avoid the discontinuation of those grades the Netherlands industry needs.

Very sincerely yours,

PETER M. PAUW,
President.

BRUSSELS, February 8, 1965.

Mr. JOHN D. PALMER,
Tobacco Associates, Inc.,
Washington, D.C.

DEAR MR. PALMER: Senator B. Everett Jordan recently introduced a new acreage-poundage bill.

We consider this legislation as a wise approach to solve the problem of crop control and we are in favor of this measure improving also the quality. But, we draw your attention on the fact that, under these circumstances export grades like nondescripts, may eventually disappear and kindly ask you to reconsider this point.

We remain, dear Mr. Palmer,

Yours very truly,

S.A. ED. LAURENS LE KHÉDIVE, N.V.

ETABLISSEMENTS GOSSET, SOCIÉTÉ ANONYME,
MANUFACTURE DE TABACS ET CIGARETTES,
Brussels, February 5, 1965.

Mr. JOHN D. PALMER,
President of Tobacco Associates, Inc.,
Washington, D.C.

MR. PRESIDENT: We have learned that the officials (authorities) of your country anticipate taking severe steps to reduce production of tobacco. This reduction would be on planted surface (acreage) and also on the average output (yield) per acre.

We understand the necessity of the reduction in the planted surface on account of too plentiful stocks—and although we are of the opinion that quality production should always be encouraged—we would, however, request that grades usually purchased by foreign customers, such as the Belgian manufacturers, would always be found on the market in sufficient quantities so as to permit purchases at reasonable and competitive prices compared with tobaccos from other countries.

We thank you for your kind cooperation and remain,

Yours very sincerely,

(S) A. GROESSENS,
Administrateur-Directeur.

Senator JORDAN. As you know, and as all of the tobacco people know, our export business has been slipping. It is going to keep on deteriorating unless we improve our quality. I wish Senator Cooper were here. He is going to be back very shortly.

We were both delegates to the NATO conference last November. We finished up the conference on Friday afternoon. We went down to the agricultural attaché in Paris and talked to him about our problems, which, as you know, are mighty acute with the French Government, with the tariff they are putting on American tobacco. At that time he made dates for us to see the Ambassadors to the Common Market, not the Ambassador to Belgium, but to the Common Market. It is handled by the Ambassador and his associates to the Common Market. We were to see them on Saturday morning. We caught a train before daylight out of Paris into Brussels and met with them about noon that day and they all emphasized that American tobacco must get back to a quality tobacco if we were going to hold what we have got now.

I think that this bill should go a long way in restoring our quality and helping us to hold our export market and to increase it if possible, and I think we can, if we get the kind of tobacco that they want, because they use our tobacco largely for blending, is that correct?

Mr. PALMER. That is correct, sir.

Senator JORDAN. We buy Turkish tobacco to blend with our cigarettes and they buy American tobacco over there to blend with their cigarettes.

Mr. PALMER. Yes, sir.

Senator JORDAN. Once they have lost their flavor and taste for American tobacco, it is gone for good. We must do something about this, and I think as quickly as possible, and I hope this year.

Senator Talmadge, do you have some questions?

Senator TALMADGE. No.

Senator JORDAN. Mr. Bonner?

Mr. BONNER. I want to compliment Mr. Palmer for the leadership he has taken on this subject. It is outstanding, and I think those who are deeply interested in the improvement of this great American crop should extend to you a lot of thanks.

Mr. PALMER. Thank you, Mr. Bonner.

Mr. BONNER. I have heard your testimony over in the House. I have enjoyed hearing you today and I appreciate the efforts you are making.

Mr. PALMER. Thank you very much. I appreciate that deeply.

Mr. BONNER. Mr. Palmer, I would like to follow up, if I may, Senator Jordan.

Senator JORDAN. Yes, indeed.

Mr. BONNER. As to your view on putting a little something in this bill that can give consideration to those areas who have suffered from the elements which destroyed their crop in these 5 years under which this program will be conducted, in seeking the poundage that will be allocated to the counties' individual farms of the areas.

Mr. PALMER. Mr. Bonner, I think there should be some provision, either written specifically into the bill, perhaps, or some flexibility allowed to the Secretary, both of which would accomplish the same thing.

Mr. BONNER. The same thing that happened in any State in tobacco-growing States, or in any community. You therefore think that something should be put in here that could adjust this situation?

Mr. PALMER. I certainly do, sir, because tobacco is a commodity that is so flexible by its very nature as to qualities and if you write a bill that is too hidebound——

Mr. BONNER. Before you leave, then, where in the present bill should that be placed, and in just what type of language? I refer to Senator Jordan's bill, S. 821. If you will just refer to that, just give a suggestion as to where that might be put as an amendment to the bill.

Mr. PALMER. Mr. Bonner, might I have permission to do that later, at such time when I can study it.

Mr. BONNER. I am over here in the Senate as a guest, you know, and the Senator from North Carolina and the Senator from Georgia have been so kind to me.

Senator TALMADGE. We are honored to have you, sir.

Mr. BONNER. I appreciate this opportunity. I am greatly interested in this subject.

Senator JORDAN. I might add that you are very welcome as a guest and you will be welcome through the entire hearings. We will be glad to have your comments.

Mr. PALMER. I would, however, like to confer with the Department, with the members of the Department of Agriculture as to the most appropriate place for that.

Senator JORDAN. I am sure that will require a little bit of study.

Mr. PALMER. Yes, sir.

Senator JORDAN. Before you can give a definite answer on it.

Mr. PALMER. Yes.

Senator JORDAN. Senator Cooper, I announced that you would be right back, and you are always very prompt. I had the pleasure of commenting a while ago about the time you and I were delegates to the NATO Conference, and when the Conference ended on Friday afternoon, we went down to our Embassy in Paris and talked to the agricultural attaché about tobacco.

He made a date for us to go to Brussels the next morning, and we did leave before daylight. We had a real good visit in Brussels that day with the officials of the Common Market, and they stressed, as I pointed out a minute ago, Senator Cooper, and I will be glad to have your comment on it, that American tobacco, if it is going to retain its place in the market and carry 17½ cents tariff per pound, we have to get our quality up to justify their continuing to buy our tobacco. I would be glad to have Senator Cooper comment on that.

Senator COOPER. Yes, we did visit our representatives there in the Common Market, the Ambassador to the Common Market and his staff, and Senator Jordan has reported accurately on it.

Our tobacco exports are under great competitive pressure by tobaccos from other countries, and they did state that quality is the element which keeps our tobacco exports active in Europe—and Europe is our dollar market. They were very anxious that greater attention be paid to quality.

We also have great problems in connection with the Common Market itself and the restrictions placed on imports of American tobacco; but quality was the word which they stressed.

Senator JORDAN. Do you have anything further?

Mr. PALMER. No, sir.

Senator JORDAN. Gentlemen and ladies, we will recess until 2 o'clock for lunch. I want to thank all of you who are here.

I hope you can all be back after lunch, because this is a very interesting and informative hearing.

(Whereupon, at 12:30 p.m., the hearing adjourned to reconvene at 2 p.m. the same day.)

AFTERNOON SESSION

Senator JORDAN. The committee will please come to order.

Mr. L. T. Weeks and Mr. Carl T. Hicks.

I would appreciate it if you would both occupy these chairs and be in a position to testify together, if you so like, and you will be able to answer questions together.

You are both from the Stabilization Corp.

Mr. Weeks, are you going to testify first?

Mr. WEEKS. First, if I may, sir.

Senator JORDAN. You certainly may.

Will you please give your full name and who you represent for the record, please.

STATEMENT OF L. T. WEEKS, GENERAL MANAGER, FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORP., RALEIGH, N.C.

Mr. WEEKS. Mr. Chairman and members of the committee, I am L. T. Weeks, general manager of Flue-Cured Tobacco Cooperative Stabilization Corp. (herein after referred to as "Stabilization"), Raleigh, N.C.

Stabilization was incorporated under the Cooperative Marketing Act of the State of North Carolina on June 1, 1946, and began operations on August 12, 1946. It has operated continually since that time. Inasmuch as it serves all flue-cured tobacco growers, it is domesticated in the States of Virginia, South Carolina, Georgia, and Florida.

Stabilization was organized for the purpose of making available price support for Flue-cured tobacco to growers, as their agent, by administering the price-support program under contractual arrangements with Commodity Credit Corporation. Only Flue-cured tobacco growers are eligible for membership and Stabilization has 640,000 members.

During its 19 years of operations, Stabilization has received 3,022 million pounds of Flue-cured tobacco or more than 12 percent of the total production for the past 19 years. This entire quantity of tobacco is tobacco which failed to sell for as much as or more than the support price when it was offered for sale by the producer at the auction warehouse. Stabilization is holding in storage today 954 million pounds of tobacco which is 36 percent greater than the inventory a year ago and is an alltime high. Of this amount, 80 percent comes from the 1962, 1963, and 1964 crops. Sales for the past 3 calendar years from all crops have amounted to 215 million pounds as compared to receipts of 799 million pounds for the corresponding period.

There are several factors that have contributed to this situation. Some of them are:

1. Production has exceeded disappearance each of the past 3 years.
2. Increased yields per acre.
3. The type of tobacco that has been produced as related to acceptability in the market.

At the present time, the total supply of tobacco approximates 650 million pounds in excess of what is defined as a normal supply.

During the years 1961-64, yield per acre has risen 400 pounds and for the past 10 years, nearly 1,000 pounds.

The following tables will show the change that has taken place in the kind of tobacco that has been produced during the past 5 years and how this change has affected the kind of tobacco received by Stabilization:

TABLE 1.—*Change in the 10-year average computed percentage of crop composition by grade groups*

Crop	Standard grades (percent)	Substandard grades (percent)	Nondescript (percent)
1960.....	75.9	17.2	3.7
1964.....	62.6	26.7	6.2
Change.....	-13.3	+9.5	+2.5

TABLE 2.—*Composition of Stabilization's receipts by grade groups*

Crop	Standard grades (percent)	Substandard grades (percent)	Nondescript (percent)
1960.....	69.8	20.6	9.6
1964.....	41.6	54.3	4.1
Change.....	-28.2	+33.7	-5.5

You will note in table 1 that there has been a decrease in the volume of tobacco which qualified for standard grades and an increase in the substandard and nondescript grades for the period 1960-64. In table 2, you will note that the volume of tobacco which Stabilization has received in standard grades has decreased, substandard grades has increased, and the nondescript has decreased. These two tables indicate the trend that has existed for many years and the acuteness of the shift from standard grade tobacco to substandard grade tobacco during the past 4 years.

You will note in table 1, where the computed percentage going into standard grades has decreased by 13 percent, from 1960 to 1964, at the same time the substandard grades has increased by 9½ percent. Then when we look at table 2, the amount of tobacco going into the inventory of Stabilization, standard grades has decreased by 28 percent, while the substandards have increased by 33 percent.

With the type of production control program that has been in operation continuously since 1939, and with a price-support program that began in 1946, there is incentive for the grower to produce as many pounds per acre as possible and in many instances this has been

done with the knowledge that tobacco, regardless of its market acceptability, would be disposed of and the support price would protect the production of high-yielding substandard tobacco. This situation may be expected when there is a limitation on the acres that can be planted to tobacco, with no limitation as to the number of pounds that may be sold from each acre, with a support price to protect production practices of this kind. This practice in most instances gives higher returns per acre than an all-out effort to produce tobacco which is most acceptable in the market.

As of December 31, 1964, Stabilization owed to Commodity Credit Corporation \$606 million in principal and \$46 million in interest, or a total of \$652 million on the 1957-64 crops. The losses sustained on the 1955 and 1956 crops are not included in the above figures.

As of December 31, 1964, there had been invested in the 285 million pounds received from the 1964 crop slightly more than \$175 million. To carry this tobacco for 1 year will add another \$7 million which means that there would be a total of \$182 million invested before any appreciable quantity of the tobacco moves into trade channels. Sales experience shows that a relatively small quantity of any crop of tobacco moves into trade channels the first year in storage.

The proposed acreage-poundage program under consideration offers many features that will alleviate many of the problems confronting the American Flue-cured tobacco industry. Failure to modify the program to place incentive on market acceptability of tobacco for 1965 can only bring about a repetition of 1964, so far as the amount and kind of tobacco coming into Stabilization under the price support program is concerned. A repetition of 1964 would add approximately \$185 million to the \$652 million now owed to Commodity Credit Corporation. Of course, any sales that take place this year would be deducted from the total amount of money owed to Commodity Credit Corporation a year from now.

During the past 3 years, total sales from Stabilization's inventory have amounted to 215 million pounds, of which 101 million pounds was from the 1955 and 1956 crops, after prices were reduced, bringing about the first losses in the price support program for Flue-cured tobacco. During the calendar year 1964, there were only 33 million pounds of tobacco sold. With a repetition of 1964's sales experience during the year 1965, it is entirely possible that a year from now Stabilization would be holding in storage a minimum of 1,150 to 1,200 million pounds, or almost a total year's use based upon the current rate of disappearance.

If the proposed acreage-poundage program becomes a reality for the 1965 crop, it is estimated that a maximum of 75 million pounds would be received, thereby reducing the total quantity of tobacco received from the 1965 crop by more than 200 million pounds below the 1964 crop receipts, which would reduce the investment by Commodity Credit Corporation by approximately \$137 million. During the past three marketing seasons, total purchases from the auction warehouse floors by all companies amounted to an average of 1,120 million pounds per year. The quantity purchased from the auction warehouse floors, plus the quantity purchased from Stabilization's inventory, averaged 1,193 million pounds per year for each of the 3 years. The acreage-poundage proposal under consideration would limit the marketable production to 1,150 million pounds. Regardless

of conditions, Stabilization will receive a quantity of tobacco each year. Assuming that 75 million pounds, which is higher than receipts for either of the years 1959, 1960, or 1961, is the quantity that Stabilization receives in 1965, this would bring the total purchases of the companies to 1,075 million pounds. At present, there is an annual disappearance of approximately 1,250 million pounds. This would mean that 150 to 200 million pounds of tobacco would be purchased from the inventory of Stabilization, thereby giving a net reduction to its alltime high inventory and which would reduce Commodity Credit Corporation's investment of more than \$100 million.

In addition to these advantages of the acreage-poundage proposal, it would also place an incentive for the grower to follow fertilization, cultural, and other practices which would tend to produce tobacco with market acceptance throughout the world. This is the strongest selling point that American tobacco has in the world market. The competitors of American Flue-cured growers in other countries in the world can and are producing tobacco that is competitive to much of the tobacco currently being produced in this country and at a price advantage over American tobacco due to a lower cost of production.

Failure to modify the present program to take incentive away from pounds and place it upon market acceptability will only cause the problem to become greater so far as the marketability of American tobacco is concerned. Other countries will continue to increase their production while acreage reductions and increased yields continue here, with less market acceptability and with additional heavy losses on the tobacco program.

Thank you, Mr. Chairman.

Senator JORDAN. Thank you very much, Mr. Weeks.

Senator Talmadge, do you have any questions?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. As I understand your proposal regarding the production figures to be fixed for Flue-cured tobacco, the total production aimed for the first year would be less than the actual use of tobacco?

Mr. WEEKS. That's correct. As I understand the proposal of the act, it provides for a maximum marketable production of 1,150 million pounds, and the total disappearance is approximately 1,250 million.

Senator COOPER. Of course, the purpose of that is to reduce the amount in storage.

Mr. WEEKS. Yes, sir. That would be very helpful.

Senator COOPER. Then I think this should be brought out—although I do not remember that it has been. Assuming that this acreage-poundage program went into effect and that the production fixed for a number of years at the beginning was less than the use of tobacco, so that Government storage was steadily reduced to a tolerable amount, then I assume it would be the purpose of the Department of Agriculture to increase the poundage allowed to each individual producer. I don't think that has been made clear.

Mr. WEEKS. Senator Cooper, not being an employee of the Department of Agriculture, if it is all right with you, I would like to refer that to Mr. Turner back here.

Senator COOPER. I think it should be brought out—because I think there might be an assumption on the part of some that once poundage is fixed, it is forever eternal. But I would assume, from the way you describe this program, that when the storage is reduced, it is possible that all farm poundage quotas could be increased.

Mr. TURNER. That is correct, Senator Cooper.

Senator JORDAN. Mr. Hicks, do you have a statement to add?

STATEMENT OF CARL T. HICKS, PRESIDENT, FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORP., RALEIGH, N.C.

Mr. HICKS. Mr. Chairman, and gentlemen, I just wanted to say, as president of the Stabilization Corp., I fully concur in Mr. Weeks' statement.

Our board has seriously considered this problem, and with your permission, I would just like to read the resolution that was adopted at our last board meeting. It is very short.

We wholeheartedly support the bill introduced in the Senate on Tuesday, January 28, 1965, which would give the tobacco growers the privilege to approve or disapprove the principle of adjusting production through an acreage-poundage control program.

That resolution was unanimously adopted by the board of directors. As you know, our directors are represented from all the States.

As a grower, I would like to say that I wholeheartedly endorse it. I have been in favor of the principle for many, many years—back in the 1955, 1956, 1957 period. And I think it does have greater merit in the possibility of adjusting supplies in line with effective demands, and improving the marketability of the tobacco that we growers produce.

Senator JORDAN. Thank you, sir.

If there are no further questions, we appreciate your being with us, and the fine testimony you have brought before us.

If it is agreeable with the other witnesses, I am going to call Mr. Gregory, of the Imperial Tobacco Co., of Richmond. I understand he has to get back very quickly.

We are going to try to accommodate all of our witnesses who were good enough to come and testify here and meet their plane schedules, or whatever it might be.

Mr. Gregory, would you state your name and address and whom you represent.

STATEMENT OF JOHN M. M. GREGORY, JR., PRESIDENT, AMERICAN LEAF ORGANIZATION OF THE IMPERIAL TOBACCO CO. OF GREAT BRITAIN AND IRELAND, LTD., RICHMOND, VA.

Mr. GREGORY. Senator Jordan and gentlemen, I am John M. M. Gregory, Jr., president of the American Leaf Organization of the Imperial Tobacco Co. of Great Britain and Ireland, Ltd. Our organization's headquarters are in Richmond, Va., where they have been for some 35 years. For over 150 years our constituent branches have bought tobacco from the United States. Our organization now buys mainly Flue-cured tobacco, of which we are the largest single exporter.

In recent years it has become more and more difficult for us to fill our orders due to a steady deterioration in quality and a continued

rise in price. The point has been reached and passed where the poor value-for-money of American tobaccos drives us to seek our purchases in alternative markets where there has been a manifest willingness to supply our needs.

The prosperity of the tobacco industry in the United Kingdom has been built upon the quality, aroma, and smoking flavor of American tobaccos. We need, and will continue to need the types such as have, in the past, enabled the American product to dominate the world's markets. We deeply regret the inability of the growers here to furnish to the specifications of our orders.

In our minds there is no doubt that the control of production by acreage limitation has been the cause of the quality deterioration, because it has placed the incentive overwhelmingly on raising the maximum number of pounds per acre. This, backed by the support price which, too often, is above the marketable value of the tobacco, has guaranteed the grower his return, almost regardless of the quality (as judged by the buyers) which he produces. The superabundance under loan by the Commodity Credit Corporation is ample evidence of disruption in the quality-price relationship of the U.S. product, and that the present relationship is decreasingly acceptable to the buyers.

To restore this relationship so that the U.S. product once more becomes attractive at the market, a change is needed in the control system to one which puts the major incentive on the production of quality, aroma, and smoking flavor, so traditionally characteristic of American tobaccos. In our view an acreage-poundage system would do this. We, therefore, wholeheartedly support the aims of the bill under consideration.

May I end this submission by drawing attention to one point of fundamental importance. A return to better quality would enhance or restore the competitive power of American tobaccos in the world's markets, but only if current prices remain stable. If prices at auction increase as a result of the introduction of acreage and poundage then the good effect of the new system of control will be lost in proportion as the imbalance, already referred to, reappears.

Thank you.

Senator JORDAN. Thank you very much, Mr. Gregory.

Senator TALMADGE. No questions.

Senator COOPER. No questions.

Senator JORDAN. That is a very strong indictment against the type of tobacco we now have for sale.

Mr. GREGORY. It certainly is. I certainly hope this bill will pass Congress, because the quality of the tobacco is of great importance to us, as we are not able to flavor our cigarettes as they are on the domestic markets. We have to use straight tobacco, and we try to buy the best that is offered.

Senator JORDAN. Thank you very much, sir.

Mr. Clay, will you give your name and address and whom you represent to the reporter, please.

STATEMENT OF ALBERT G. CLAY, PRESIDENT, BURLEY AUCTION WAREHOUSE ASSOCIATION, MOUNT STERLING, KY.

Mr. CLAY. Thank you. Mr. Chairman and distinguished gentlemen of the committee, I am Albert G. Clay, of Mount Sterling, Ky. I am president of the Burley Auction Warehouse Association, a

trade group comprising over 90 percent of all tobacco auction warehouses that sell burley tobacco grown in Kentucky, Tennessee, North Carolina, Virginia, West Virginia, Ohio, Indiana, and Missouri. These warehousemen are marketing agents for over 300,000 burley growers.

I am also a member of the Secretary of Agriculture's National Tobacco Advisory Committee and was a member of the stabilization program's task force which was established to study and recommend changes in the present tobacco program.

I want to thank this committee for the privilege of making this appearance. As one who has spent over 20 years working with tobacco farmers and their programs and who is vitally interested in the preservation of a sound tobacco economy, I come before this distinguished group to speak in favor of Senate bill 821, which provides for referendums by types of tobacco so that farmers may choose between acreage quotas and acreage-poundage quotas.

Until recently, the tobacco program for all types has truly been a success story. For all tobacco growers it has been their Magna Carta of economic salvation. They are indebted to this committee and to the Congress for the recognition you have given to the problems peculiar to the production and marketing of tobacco. You have a warm place in our hearts for the consideration we received before this committee in 1948 and we will be eternally grateful for your service then and for the Cooper-Barkley amendment to the Agriculture Act of 1948 in the 80th Congress.

Tobacco growers, through their leadership, have always recognized the wisdom of recommending changes to improve their program. Time and time again, after drastic cuts in acreage, growers have voted overwhelmingly for continuation of their production control and price support program. In 1954, after producing a record crop of 150 million pounds over disappearance and after the Secretary of Agriculture had proclaimed a 10-percent acreage cut for 1955, the burley growers sensed storm warnings on the horizon and asked the 84th Congress to pass Public Law 21, which provided for a retermination of the 1955 quota. This was accomplished, and on March 31 the Secretary of Agriculture proclaimed a 25-percent acreage cut for 1955. On April 28, 1 month from the time the bill was passed, 340,822 burley growers voted in a referendum and approved controls and price supports by a 96-percent majority.

I might say here, Mr. Chairman, that I think this is most significant, as the time element then was quite comparable to the present situation in Flue-cured. It has been insinuated in certain quarters that maybe there is not enough time to put this program into effect for Flue-cured for 1965.

In burley, March 31, 1955, legislation was passed. April 28, a referendum was voted, and we started planting in May.

The same thing can be done in Flue-cured. If legislation is passed in the month of February or even the early part of March, a referendum can be held even the latter part of March and the first of April, and there will still be plenty of time for planting in April.

Once again the tobacco program is in danger because of an oversupply of Flue-cured and maybe some other types, and urgent action is required. This time, however, the grower leadership realizes that additional acreage cuts are no longer the answer. Acreage limits

alone are not only failing to control production but are steering us down a course of worsening quality and diminishing markets at home and abroad.

The merits of the proposed legislation are that it is a step in the direction of limiting supply with an incentive toward quality. The quality incentive is realistic in that it certainly should cut down on excess use of nitrogen, sucker controls, and heavy yielding varieties, all of which have helped to create our problem. This bill has not been drawn in haste or panic; it is the result of compromise, fairness, and diligent study by many people interested in the survival of our tobacco program. It is a constructive attempt to submit for grower approval a choice of continuing on the same road and risking economic destruction or trying another path that will get their house in order and save a program that has stabilized their income for almost a quarter of a century.

I believe that this committee and the Congress of the United States will want to give them, the growers, the right to make such a choice.

Some of you might ask why I, as a representative of the burley industry, take such a strong stand in favor of legislation that will affect only Flue-cured tobacco in 1965. Historically, the strength and effectiveness of our tobacco program has been because of the unit within our industry. We recognized long ago that "united we stand, divided we fall" and, as a burley representative, I welcome the opportunity to go on record as favoring any tobacco legislation that will improve or help stabilize our present tobacco program. As you gentlemen know, Senate bill 821 does not limit itself to the Flue-cured type but provides that the Secretary of Agriculture, in his discretion, may call for a referendum for acreage-poundage quotas for other types when he feels that it would result in a more effective marketing quota program for that kind of tobacco. How could anyone object to letting the growers decide whether they want to make a change that will improve their program? And this is exactly what the bill provides.

Although our burley patient is not quite as sick as the Flue-cured patient at this time, most of us recognize that our patient has some of the same symptoms and may need a similar dose of medicine in the near future.

In closing, may I quote from President Johnson's farm message to the Congress:

The tobacco program must be reappraised this year. Yield increases, high Government costs, deterioration of quality, and loss of foreign markets have weakened what has been a highly successful program. Legislation is needed to authorize production and marketing limits on an acreage-poundage basis.

I thank you, Mr. Chairman, for this privilege of appearing before this committee.

Senator JORDAN. Mr. Clay, I appreciate the very fine statement you have made. I think it is most significant that you, representing the burley growers, have come out in favor of this program on Flue-cured tobacco. Not all people are that farsighted.

Senator TALMADGE?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. Mr. Chairman, members of the committee, I not only feel that I should say what I am going to say, but I want very much to do so.

I would like to tell this committee what I am sure many of you know—that Mr. Albert Clay, of Mount Sterling, Ky., a typical community in the tobacco-growing counties of Kentucky, is one of the distinguished citizens of our State, in addition to being one of the most expert on tobacco problems.

I know from my own knowledge and experience that for over 20 years he has addressed himself to the issue of keeping our tobacco program effective and strong, and he has not been afraid to take an issue in this field.

I have great regard for his testimony, as I am sure the committee will have. He qualifies also as a tobacco grower over a long period of years.

I would like to ask you this question, Mr. Clay. It is along the lines of the same question I asked Mr. Murphy. It relates specifically to burley tobacco.

Last year there was an acreage cut of 10 percent. This year there was another cut of 10 percent. Is it your judgment that even with these cuts, if use of tobacco and the production of burley tobacco continue along the same line followed in 1964, there would nevertheless be a surplus which would be taken over under our cooperative system?

MR. CLAY. I am afraid, Senator Cooper, that if history is any indication of what could happen in the future as far as increased yields, the answer to your question is "Yes." I am afraid we would have to face further acreage cuts under the present system we now have.

SENATOR COOPER. With your knowledge of past trends, and your knowledge and your ability to project the future trends, would you say that without an unusual increase in the disappearance or use of tobacco, or without some natural disaster such as a drought which would reduce production of tobacco, that the present program would lead to successive cuts throughout the coming years?

MR. CLAY. My answer to that is yes. To back my statement up—in 1963, as you well know, we produced the largest burley crop that has ever been produced, 750 million. We took a 10-percent cut. As has been indicated in earlier testimony, we had a rather severe drought and got an additional 9-percent cut, which totaled about 19. We still produced around 620 million this year, and our disappearance is around 571 million. So it would indicate that even though we get additional acreage cuts which we have, 10 percent this year, that we could, in the very near future, be in just as much trouble or more serious trouble than Flue-cured, which would require, under the present program, drastic acreage cuts for the future.

SENATOR COOPER. From your long experience in the tobacco fields and your wide acquaintance among Kentucky tobacco growers, can you comment as to whether or not this proposed plan has been tested as far as independent tobacco growers in our State are concerned?

MR. CLAY. Senator Cooper, we have not had the opportunity to present this particular bill to the tobacco growers of Kentucky because it was devised, as you know, within the last month or so, and there is no contemplation of burley, as I understand it, going to the acreage poundage in 1965. We are voting on referendums on February 25 for a continuation of our price-support program and acreage production controls for 1965, 1966, and 1967. So this particular piece of

legislation we have not had the opportunity to bring to the growers of Kentucky as yet.

Senator COOPER. I would like to make one more comment. Of course it is self-evident, but I would say that Mr. Clay expresses and represents the position which I think is held by many tobacco leaders in our State—that although burley is our chief interest, yet they recognize the total program is interrelated and interconnected, as shown by his testimony here, particularly with reference to Flue-cured.

Senator JORDAN. Thank you very much, sir. We appreciate this fine testimony.

Mr. CLAY. Thank you, Mr. Chairman.

Mr. JORDAN. Mr. William Lanier, president of the Georgia Farm Bureau Federation.

Mr. Lanier, we are glad to have you with us today.

Senator TALMADGE. Mr. Chairman, may I make a comment. I have known Mr. Lanier all of his adult life. He served for many years in the Georgia House of Representatives with great distinction, where he was chairman of the committee on agriculture. He resigned as a member of the General Assembly of the State of Georgia to become State director of the ASCS committee, and the farmers of our State recently elected him president of the Georgia Farm Bureau Federation.

He is a farmer in his own right, operating a diversified farm in Candler County, Ga., where he produces tobacco.

We are very happy to have you before this committee.

STATEMENT OF WILLIAM L. LANIER, PRESIDENT, GEORGIA FARM BUREAU FEDERATION, METTER, GA.

Mr. LANIER. Thank you, Senator.

Senator JORDAN. Mr. Lanier, will you give your name, address, and who you represent for the record.

Mr. LANIER. Mr. Chairman, gentlemen, my name is William L. Lanier. I am president of the Georgia Farm Bureau Federation. As Senator Talmadge told you in presenting me, I have lived on a tobacco farm all my life.

The policy of the Georgia Farm Bureau for 1965 is: We support the present tobacco program with each tobacco type being allotted based on utilization. We recommend that if cuts are necessary in tobacco allotments they be made in areas where highest percentage of excess tobacco goes into stabilization. Therefore, my statement will be in opposition to S. 821.

Poundage-acreage attempts are not new. You will recall in 1957 the late Kerr Scott of North Carolina introduced a poundage-acreage bill in the Senate. Immediately thereafter hearings were conducted throughout the Flue-cured Belt to determine grower response. Producers overwhelmingly denounced this approach. The sentiments in Georgia are still opposed to this monstrosity and for the same reasons. The tobacco produced in Georgia has found its way in the normal channels of trade. A very small percentage of our tobacco goes into tobacco stabilization, therefore, the tobacco producers in Georgia know that they are presently producing quality tobacco and see no reason why they should be subjected to the poundage-acreage controls.

I would like to digress for a moment to remind you of a remark our distinguished junior Senator made this morning and suggest to the committee that hearings be held in the tobacco-producing areas similar to what they were in 1957.

A telephone call this morning to my hotel informed me that the chairman of the House Agriculture Committee in Congress had introduced a poundage-acreage bill, and is requesting hearings to be held.

I would like to say to this committee, sir, that I would believe it advantageous to the producer and to the members of this congressional committee to be a part of such a hearing team out in the field, because the tobacco allotments in Georgia are such that very few would be able to pay the transportation to our National Capital, that could go to places within our State to voice their opinions.

Senator JORDAN. I might say in connection with that—I certainly would have no objection to it. But our hearings will be completely available to the House, and I am sure theirs will be available to this committee, too—which is fine. But whatever Mr. Cooley does, of course we will have the advantage of those hearings, and Mr. Cooley will have the advantage of these hearings here also.

There is certainly no objection to having them in the field, except the time factor involved right now. But I am not saying we won't do that.

Mr. LANIER. Yes.

The base period in S. 821 for computing poundage, is 1959–63. I would like to review with you a chart showing the weighted percentage of gross sales by types of Flue-cured tobacco delivered to the Stabilization Corp.

Years	11(a)	11(b)	12	13	14
1959.....	11.0	5.3	2.1	4.1	1.1
1960.....	6.2	3.1	4.3	2.9	1.3
1961.....	6.4	3.8	7.6	2.6	3.8
1962.....	30.1	19.0	15.5	9.9	2.4
1963.....	43.6	21.7	14.2	12.2	2.8
5-year average.....	20.4	11.1	9.0	6.6	2.3
1962–63.....	36.7	20.3	14.8	11.0	2.6

Type 14 is principally grown in Georgia, a few acres in Alabama, and some in the State of Florida. In the testimony this morning more than one person has given reference to a statement by Imperial Tobacco Co. relative to quality and our need for it.

If you gentlemen would care to, if you would look at the *Blue Tag* lawsuit that was held in Brunswick, Ga., and heard by Judges Scarlett, Jones, and Simpson, that the head of Imperial Tobacco Co. testified and it is a matter of public record that the tobacco grown in my country is the tobacco that is far superior to any tobacco grown in the world.

From the above chart it will be noted that type 14 tobacco has consistently placed a smaller percentage of tobacco in the stabilization program. For the last 2 years, in the base period (1962–63) the percentage of tobacco delivered to Stabilization for type 14 was only 2.6 percent; whereas, the other four types were contributing as high a percentage as 36.7 percent and for 1963 in one case it was 43.6 percent.

Inasmuch as the program needed at this time is one designed to move tobacco into the markets and not add to the stocks of the Stabilization Corp., we feel that some additional consideration should be given to the growers of type 14 tobacco.

During the period 1959-63, type 14 constituted 13.6 percent of the total pounds of tobacco. During this same period, type 14 tobacco contributed only 3.1 percent of the tobacco placed in the loan. This indicates a difference of more than 10 percent between pounds produced and pounds put in loan.

This bill, S. 821, is presented under a quality banner. We contend we already have quality and should not be fed from the same spoon as those who grow tobacco for Stabilization Corp.

I repeat—the sentiment in Georgia is in opposition to poundage-acreage but if such a program or related program should come that negative consideration be given to amount of tobacco that finds its way to Stabilization Corp. rather than find its way into normal trade channels.

Tobacco producers are asking many questions:

(1) Have we acted in good faith by having the producers case a ballot in referendum on December 15, 1964, and then subject them to another at transplanting time?

(2) The study committee recommended a poundage program—why acreage? Under this proposal a producer could produce much less than his poundage quota and yet not be eligible for price support because he exceeded his acreage allotment.

As a tobacco farmer, Mr. Chairman, and gentlemen of the committee, I fail to see the merit of poundage-acreage—if you are going to limit the producer to this same area, this same spot in which he produces his tobacco, I do not feel that we are going to get the quality that you seek to get in this piece of legislation. If you are going this way at all, I would certainly suggest to the committee and to the Congress that they delete this word “acreage” in this proposal.

(3) Why the simple majority vote being proposed originally opposed to the two-thirds that has always existed? Is this because a certain State that has 65.97 percent of the Flue-cured allotment is also a very heavy contributor to stabilization? And with simple majority vote this State within itself could determine the destiny of tobacco programs.

This bill limits the pounds that can be sold by a producer. If a farmer produces more than his quota he will destroy his poorer quality—there is a market for less desirable tobacco—then a producer will sell better quality to satisfy this less quality demand at a lower price.

How would this program affect a multitenant farm?

How would this program affect a farm that changed ownership between cropping years relative to the following year poundage quota?

Would poundage-acreage program cause producers to plant desirable varieties? Can they do this with black-shank-infested soils?

This bill contains a 5-percent carryover from current year to following year—how will this affect tenancy when you have a different tenant the following year?

Didn't we at one time have a poundage quota? Why did we abandon it?

As a matter of fact, we have abandoned it twice. The first tobacco program in America, perhaps 200 years ago, that we had a poundage

and even a leaf control, it was abandoned, and we have already had a poundage one, and it has been abandoned.

Doesn't poundage-acreage further complicate the program with no increase in quality tobacco?

My analysis of the thinking of the Georgia tobacco producer is that he is strongly opposed to poundage-acreage controls on tobacco.

Thank you, Mr. Chairman.

Senator JORDAN. Thank you very much, Mr. Lanier.

Senator TALMADGE. Mr. Chairman, I have a few questions.

Senator JORDAN. Yes.

Senator TALMADGE. Mr. Lanier, I believe you stated you represented the Georgia Farm Bureau Federation.

Mr. LANIER. Yes, sir.

Senator TALMADGE. How many members do you have?

Mr. LANIER. Approximately 45,000.

Senator TALMADGE. How many of them produce tobacco?

Mr. LANIER. Oh, about a third.

Senator TALMADGE. How do you know you speak the sentiments of the Georgia tobacco producers?

Mr. LANIER. Well, in the Georgia Farm Bureau Federation we have a tobacco commodity committee. I have spoken to those people. I have called many people on the telephone. There are few days I have not had speaking engagements. And when the field force leaves our office, going into any tobacco producing county, I ask them to inquire at the meetings and of individuals that they come in contact with to sound them out on whether or not they favor or oppose this poundage-acreage.

Senator TALMADGE. What did your inquiry reveal as to the percentage of the tobacco farmers that oppose or that are in favor of the bill?

Mr. LANIER. I would say that 90 percent oppose. For my own personal knowledge, I have talked to only one producer, one farmer in Worth County, that favored this poundage-acreage proposal.

Senator TALMADGE. I believe you said the main thrust of your argument was that the tobacco produced in Georgia is of such quality that it finds a ready market for cash, and doesn't go into CCC; is that correct?

Mr. LANIER. That's right, sir.

Senator TALMADGE. What type tobacco is that?

Mr. LANIER. Type 14.

Senator TALMADGE. Is that type also produced in the other Flue-cured tobacco areas?

Mr. LANIER. No, sir. Type 14 is grown in Georgia, Florida, and Alabama.

Senator TALMADGE. Why is it produced there only and not in the other areas?

Mr. LANIER. This typing is older than I am, Senator, and what the reason for typing is at the outset was I don't know, other than the difference in soil and difference in climate. Therefore it has an effect on the quality of tobacco.

Senator TALMADGE. How much of that finds its way into CCC?

Mr. LANIER. About 2.6 percent of type 14.

Senator TALMADGE. That would mean, then, that 97.4 percent is sold for dollars on the auction floors.

Mr. LANIER. Yes, sir. And I might add this, Senator. My belief is that less than 2.6 percent of the tobacco grown goes into Stabilization. A lot of that is tobacco that is being transported from elsewhere, that is sold on our northern market, which the Stabilization take is greater than in the middle and southern markets.

Senator TALMADGE. Now, you made an argument, I believe, that if we are going to have a poundage bill, a combination of pounds and acres would not be necessary. Did I understand you?

Mr. LANIER. I think it would kill one of the intents, Senator, of this legislation.

As I understand it, this bill is presented primarily, in the words of the author and others, to increase quality. One of the arguments in quality is spacing. Now, I fail to see how you are going to obtain the quality that you seek in this piece of legislation when you are going to confine the producers to the same spot.

So if you are doing this right at all, my suggestion would be poundage and let him grow it on 1 acre, 5 acres, or 10 acres.

Senator TALMADGE. In other words, your contention is if he has a 2-acre allotment and his allotted 2 acres and, say, 3,000, or whatever his poundage may be—that that would not necessarily reduce the quality if the farmer decided to produce his 3,000 pounds on 5 acres or 6, if he wanted to.

Is that the thrust of your argument?

Mr. LANIER. Yes, sir.

Senator TALMADGE. In other words, if it works down to a poundage proposition, your view would be that there would be no acreage limitation required.

Mr. LANIER. That's right, sir.

Senator TALMADGE. Well, then, would there be any opportunity for a farmer, if he had a 2- or 3-acre allotment, say, to try to produce all of his tobacco on 1 acre or 1½ acres?

Mr. LANIER. Well, under the provisions of this bill he could do the same. He would not have to plant his maximum. He could still produce it under the provisions of this bill on a lesser quantity of acreage.

Senator TALMADGE. In other words, your theory then, is that you limit poundage.

The farmer could use his own best judgment in expanding his acreage to produce the same poundage and thereby increase the quality; is that correct?

Mr. LANIER. Yes, sir. And one of the provisions here, Senator, is that a man would have—he would have an allotment of poundage, say 3,000 pounds. He could exceed his acreage allotment by one-tenth of an acre. He would only produce, say, 10,000 pounds, which is half of his base, but he would not get price supports for the 10,000 pounds because he had exceeded his acreage allotment.

Senator TALMADGE. And not exceeded his poundage.

Mr. LANIER. Have not even approached his poundage.

Senator TALMADGE. He would make no contribution toward surplus, but at the same time he would forfeit his right to price support. Is that the thrust of your argument?

Mr. LANIER. Yes, sir.

Senator TALMADGE. You also made some reference in the statement to the fact that all of the previous tobacco referendums have been based on a two-thirds vote.

Mr. LANIER. Yes, sir.

Senator TALMADGE. Is that—has that been historically true of all of them?

Mr. LANIER. I have known of no referendum on tobacco or any other commodity that was less than two-thirds, sir.

Senator TALMADGE. Is that true of all other farm commodity groups?

Mr. LANIER. To the best of my knowledge; yes.

Senator TALMADGE. You think the reason therefor is to get a broad consensus of opinion of all the producing areas affected?

Mr. LANIER. Yes, sir.

Senator TALMADGE. Is that the thrust of your argument?

Mr. LANIER. Yes, sir.

Senator TALMADGE. You also suggested, I believe, that some farm hearings be held in the field where the farmers that produce the tobacco could come in and have their say.

Mr. LANIER. Yes, sir. Senator, as you well know, the tobacco allotments in Georgia are relatively small.

Senator TALMADGE. What is the average allotment there?

Mr. LANIER. About $2\frac{1}{4}$, $2\frac{1}{2}$ acres.

Senator TALMADGE. Is that prior to the 19½-percent reduction or before?

Mr. LANIER. Yes, sir.

Senator TALMADGE. So it is approximately 2 now?

Mr. LANIER. Approximately 2 acres. This is not being said to embarrass or humiliate anyone, but I am sure that there are persons in this room that have an allotment big enough that they can come and testify for themselves to our Nation's Capital, whereas the size of the allotments in Georgia are such that very few could afford to come here. And I think it would be well if we had these hearings in the field where they could commute and let their wishes be known.

Senator TALMADGE. You think that is also true of little tobacco farmers throughout the Flue-cured tobacco area? Do you think many of them can afford to pay their way to Washington to testify about a farm bill?

Mr. LANIER. No, sir.

Senator TALMADGE. Your argument is, in order to find the true sentiment of the farmer himself, we need to go where farmers are.

Mr. LANIER. Yes, sir.

Senator TALMADGE. Thank you. I have no further questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. I would say first, Mr. Chairman, and Senator Talmadge, that the witness has asked very searching questions, and I would hope that the committee would ask the Department of Agriculture to respond to those issues that he has raised.

Senator TALMADGE. Mr. Chairman, if it is in order, I would request that the Department of Agriculture be requested to give us information about the particular questions that Mr. Lanier asked, about how the bill would operate. That is what you suggested, wasn't it?

Senator COOPER. Yes.

Senator TALMADGE. I concur.

Senator COOPER. I have one more question.

You have stated, Mr. Lanier, that as far as Georgia is concerned, a small percentage of Flue-cured tobacco has gone under Government loan, compared to other States; is that correct?

Mr. LANIER. That is right, sir.

Senator COOPER. But if this trend continues in other States, and large amounts of tobacco are raised to go into loan stocks, your farmers in Georgia would have to take the cuts along with all the other Flue-cured?

Mr. LANIER. Not necessarily, sir. I would say this—

Senator COOPER. I mean under existing law.

Mr. LANIER. I think the reasonable approach to a question of this nature—and now I am speaking for Bill Lanier, and not the Georgia Farm Bureau Federation, I am speaking as a tobacco producer—that a bill relative to poundage-acreage be based on historical poundage as contained in Senate bill 821, so many points be given to that, and so many points be given to their contribution to stabilization, because we want to reward people who produce quality.

If in your orchard you had an excess of trees, you would not necessarily—if you wanted to destroy 10, you would not destroy 5 poor ones and 5 good ones. You would pluck from that orchard your less productive, the ones producing fruit that is not edible.

So I say we need a two-pronged approach to this—poundage history, and the contribution toward stabilization. Because our tobacco is a quality of such that it will go in the normal channels of trade. So our people do not understand why we should suffer in this reduction.

Senator COOPER. But you do at present?

Mr. LANIER. Sir?

Senator COOPER. You do at present, under existing law.

Mr. LANIER. Oh, yes, sir.

Mr. GREGORY. Mr. Chairman, may I ask a question?

Senator JORDAN. Very well.

Mr. GREGORY. You made a statement which you attributed to the Imperial Tobacco Co. at the beginning of your talk. Could you tell me when and who made that statement?

Mr. LANIER. I don't know—I cannot recall the gentleman's name offhand. But if you will check the *Blue Tag Tobacco* case, it was held in Georgia a few years ago—that was presided over by Judge Scarlett, Judge Jones, and Judge Simpson—you will read the statement from a very prominent official of your firm who stated that our type 14 was the superior tobacco grown in the world.

Mr. GREGORY. I am afraid you stretch out a little bit, or have been mistaken in the quotation. We do think the tobacco grown in Georgia is good tobacco, or was good tobacco up until the last few years, when the introduction of MH-30 which is heavily used in Georgia.

Mr. LANIER. Is Georgia the only State using MH-30?

Mr. GREGORY. It is used in all belts. But that combined with other agricultural practices has certainly caused the quality of Georgia

tobacco to deteriorate to a great extent. And I am afraid that there has been a slight misunderstanding on your part as to what our company thinks. We do not think that that Georgia tobacco is superior to any other tobacco. And I speak as head of the company.

Mr. LANIER. Sir, I still maintain that the comments that I made relative to a statement from Imperial Tobacco Co. is true, and a correct statement. And I would further say that the buying companies have told us time and time again that the varieties that is most acceptable to the buying companies is the Hicks variety, and 96 or 97 percent of the seed sold in Georgia over the last several year has been of the Hicks variety.

Senator TALMADGE. Mr. Chairman—Mr. Lanier, would you have access to the record of that hearing in the *Blue Tag* court decision?

Mr. LANIER. Yes, sir.

Senator TALMADGE. Could you get us a copy of the statement that you are referring to, and submit it as a part of your record in this testimony?

Mr. LANIER. I would be delighted to, sir.

Senator TALMADGE. Fine.

Now, Mr. Chairman, I am going to ask at this time that our staff of the committee be requested to obtain from the Department of Agriculture all the data pertaining to the acreage allotments, production, and stocks by types, and so forth, now in CCC, and those that find their sale in the ready market.

Senator JORDAN. Fine.

(The information is as follows:)

Flue-cured tobacco, types 11 to 14: Domestic supplies, disappearance, season average price, and price-support operations for specified periods

[Farm-sales weight]

Year	Production	Stocks, July 1	Supply	Disappearance ¹		
				Total	Domestic	Exports
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>
Average, 1947-49.....	1,174	1,458	2,632	1,108	715	393
1950.....	1,257	1,485	2,742	1,185	757	428
1951.....	1,453	1,557	3,010	1,279	777	502
1952.....	1,365	1,731	3,096	1,244	828	416
1953.....	1,272	1,852	3,124	1,209	778	431
1954.....	1,314	1,915	3,229	1,173	744	429
1955.....	1,483	2,056	3,539	1,281	728	553
1956.....	1,423	2,258	3,681	1,170	705	465
1957.....	975	2,511	3,486	1,178	737	441
1958.....	1,081	2,308	3,389	1,179	736	443
1959.....	1,081	2,210	3,291	1,185	766	419
1960.....	1,251	2,106	3,357	1,267	792	475
1961.....	1,258	2,090	3,348	1,267	782	485
1962.....	1,408	2,081	3,489	1,208	777	431
1963.....	1,371	2,282	3,653	1,274	776	498
1964 ²	1,382	2,379	3,761	-----	-----	-----

Year	Average price per pound	Price- support level ³	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1964 ⁴
			Quantity	Percentage of crop	
	<i>Cents</i>	<i>Cents</i>	<i>Millions of pounds</i>	<i>Percent</i>	<i>Millions of pounds</i>
1950.....	54.7	45.0	77.6	6.2	0
1951.....	52.4	50.7	142.2	9.8	0
1952.....	50.3	50.6	⁵ 165.0	12.1	0
1953.....	52.8	47.9	151.4	11.9	0
1954.....	52.7	47.9	130.2	9.9	0
1955.....	52.7	48.3	298.9	20.2	0
1956.....	51.5	48.9	319.9	22.5	0
1957.....	55.4	50.8	107.8	11.1	27.0
1958.....	58.2	54.6	144.8	13.4	64.8
1959.....	58.3	55.5	55.3	5.1	18.6
1960.....	60.4	55.5	51.8	4.1	31.2
1961.....	64.3	55.5	70.5	5.6	53.9
1962.....	60.1	56.1	237.2	16.8	225.7
1963.....	58.0	56.6	277.2	20.2	254.3
1964.....	² 58.3	57.2	285.6	20.7	⁶ 285.6
Total.....	-----	-----	2,515.4	-----	⁶ 961.1

¹ Year beginning July 1.

² Subject to revision.

³ Through 1959—90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

⁴ As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.

⁵ An additional 78,400,000 pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953.

⁶ Includes quantities received from marketings through Dec. 17, when season ended.

94 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price-support operations for specified periods

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ¹		
				Total	Domestic	Exports
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>
Average, 1947-49.....	550	939	1,489	530	493	37
1950.....	499	1,000	1,499	518	488	30
1951.....	618	981	1,599	538	506	32
1952.....	650	1,061	1,711	548	519	29
1953.....	564	1,163	1,727	529	494	35
1954.....	668	1,198	1,866	519	486	33
1955.....	470	1,347	1,817	518	484	34
1956.....	506	1,299	1,805	510	482	28
1957.....	488	1,295	1,783	506	478	28
1958.....	465	1,277	1,742	518	483	35
1959.....	502	1,221	1,726	535	499	36
1960.....	485	1,191	1,676	549	508	41
1961.....	530	1,127	1,707	570	525	45
1962.....	675	1,137	1,812	584	531	53
1963.....	755	1,228	1,933	571	514	57
1964 ²	631	1,412	2,043	-----	-----	-----

Year	Average price per pound	Price- support level ³	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1964 ⁴
			Quantity	Percentage of crop	
	<i>Cents</i>	<i>Cents</i>	<i>Millions of pounds</i>	<i>Percent</i>	<i>Millions of pounds</i>
1950.....	49.0	45.7	44.2	8.9	0
1951.....	51.2	49.8	97.3	15.7	0
1952.....	50.3	49.5	103.9	16.0	0
1953.....	52.5	46.6	102.1	18.1	0
1954.....	49.8	46.4	221.4	33.2	0
1955.....	58.6	46.2	73.1	15.6	0
1956.....	63.6	48.1	6.0	1.2	0
1957.....	60.3	51.7	16.6	3.4	1.9
1958.....	66.1	55.4	11.2	2.4	1.2
1959.....	60.6	57.2	13.2	2.6	.8
1960.....	64.3	57.2	8.4	1.7	.5
1961.....	66.5	57.2	10.3	1.8	1.7
1962.....	58.6	57.8	63.5	9.4	60.2
1963.....	59.2	58.3	202.8	26.9	⁵ 186.0
1964.....	⁶ 61.0	58.9	(7)	(7)	(7)
Total.....	-----	-----	974.0	-----	252.3

¹ Year beginning Oct. 1.

² Subject to revision.

³ Through 1959—90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

⁴ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.

⁵ About 3,700,00 pounds of these holdings were sold recently.

⁶ Auction average through Dec. 22.

⁷ Through mid-December about 82,000,000 pounds, 16½ percent of deliveries, went under loan.

Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price-support operations for specified periods

[Farm-sales weight]

Year	Production	Stocks following Jan. 1 ¹	Supply	Disappearance ²		
				Total	Domestic	Exports
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>
Average, 1947-49	38.0	45.8	83.8	35.6	27.6	8.0
1950	40.0	53.4	93.4	35.5	27.1	8.4
1951	41.6	59.3	100.9	33.3	26.7	6.6
1952	40.2	64.9	105.1	40.3	32.5	7.8
1953	40.5	65.4	105.9	36.4	28.4	8.0
1954	43.8	68.6	112.4	36.1	27.9	8.2
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.0	76.5	110.5	30.5	1.80	12.5
1964 ³	39.0	⁴ 80.5	119.5			

Year	Average price per pound	Price-support level ⁵	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1964 ⁶
			Quantity	Percentage of crop	
	<i>Cents</i>	<i>Cents</i>	<i>Millions of pounds</i>	<i>Percent</i>	<i>Millions of pounds</i>
1950	48.2	48.6	5.5	13.8	0
1951	44.8	(7)			
1952	48.8	(7)			
1953	54.5	50.4	6.7	16.5	0
1954	40.3	(7)			
1955	50.8	(7)			
1956	51.7	47.0	3.3	9.0	0
1957	44.9	48.0	5.9	15.3	1.7
1958	62.5	50.8	1.1	3.6	.2
1959	61.6	(7)			
1960	63.8	50.8	1.6	4.6	.5
1961	62.0	50.8	3.7	9.5	1.4
1962	55.8	51.3	6.0	14.8	2.9
1963	43.3	51.8	10.4	30.6	10.4
1964		⁸ 52.3			
Total					17.1

¹ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of Jan. 1, falling within the marketing year Oct. 1 through Sept. 30.

² Year beginning Oct. 1.

³ Subject to revision.

⁴ Estimated.

⁵ Through 1959—90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

⁶ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures.

⁷ No price support. Marketing quota not in effect since over 1/3 of growers voting disapproved.

⁸ Auctions scheduled to start Apr. 21, 1965.

Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price-support operations for specified periods

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ¹		
				Total	Domestic	Exports
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>
Average, 1947-49.....	12.9	22.5	35.4	12.8	5.3	7.5
1950.....	12.8	23.1	35.9	11.3	5.9	5.4
1951.....	13.4	24.6	38.0	11.0	6.3	4.7
1952.....	12.2	27.0	39.2	10.5	5.5	5.0
1953.....	9.2	28.7	37.9	11.7	6.9	4.8
1954.....	10.6	26.2	36.8	10.2	6.0	4.2
1955.....	10.5	26.6	37.1	12.7	6.7	6.0
1956.....	10.7	24.4	35.1	10.3	4.8	5.5
1957.....	8.6	24.8	33.4	9.6	4.2	5.4
1958.....	9.4	23.8	33.2	10.7	5.3	5.4
1959.....	10.0	22.5	32.5	10.3	4.9	5.4
1960.....	8.9	22.2	31.1	10.2	4.0	6.2
1961.....	9.8	20.9	30.7	10.8	5.5	5.3
1962.....	9.5	19.9	29.4	9.2	4.1	5.1
1963.....	6.2	20.2	26.4	9.6	3.0	6.6
1964 ²	10.0	16.8	26.8			

Year	Average price per pound	Price- support level ³	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1964 ⁴
			Quantity	Percentage of crop	
	<i>Cents</i>	<i>Cents</i>	<i>Millions of pounds</i>	<i>Percent</i>	<i>Millions of pounds</i>
1950.....	36.3	34.3	2.4	18.8	0
1951.....	39.2	37.4	2.6	19.4	0
1952.....	35.5	37.1	2.4	19.7	0
1953.....	35.6	35.0	.7	7.6	0
1954.....	34.4	34.8	2.1	19.8	0
1955.....	31.3	34.6	1.8	17.1	0
1956.....	39.5	36.1	1.7	15.9	.5
1957.....	38.7	38.8	1.0	11.6	.7
1958.....	36.9	38.8	2.2	23.4	1.2
1959.....	37.6	38.8	.8	8.1	.4
1960.....	39.4	38.8	.3	3.3	.1
1961.....	38.8	38.8	.9	9.8	.5
1962.....	38.8	39.2	1.2	12.6	.5
1963.....	35.5	39.6	.4	6.5	.4
1964.....		40.0	(⁵)	(⁵)	(⁵)
Total.....			20.5		4.3

¹ Year beginning Oct. 1.

² Subject to revision.

³ Through 1957—75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

⁴ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

⁵ Through mid-December, about 2 percent of marketings were placed under loan.

Fire-cured tobacco, types 22 and 23:¹ Domestic supplies, disappearance, season average price, and price-support operations for specified periods

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ²		
				Total	Domestic	Exports
	<i>Million of pounds</i>	<i>Million of pounds</i>	<i>Million of pounds</i>	<i>Million of pounds</i>	<i>Million of pounds</i>	<i>Million of pounds</i>
Average, 1947-49.....	64.4	132.1	196.5	57.3	30.7	26.6
1950.....	45.4	141.8	187.2	64.6	30.7	33.9
1951.....	46.1	122.6	168.7	48.8	25.8	23.0
1952.....	46.0	119.9	165.9	48.3	24.2	24.1
1953.....	39.7	117.6	157.3	49.5	26.0	23.5
1954.....	51.6	107.8	159.4	48.9	23.9	25.0
1955.....	54.7	110.5	165.2	52.0	24.6	27.4
1956.....	59.9	113.2	173.1	52.3	27.5	24.8
1957.....	41.9	120.8	162.7	53.3	29.5	23.8
1958.....	33.9	109.4	142.3	44.1	24.6	19.5
1959.....	43.1	99.2	142.3	41.1	22.5	18.6
1960.....	36.5	101.2	137.7	44.9	23.9	21.0
1961.....	43.3	92.8	136.1	46.7	17.2	29.5
1962.....	44.6	89.4	134.0	40.8	21.1	19.7
1963.....	49.7	93.2	142.9	41.4	19.6	21.8
1964 ³	43.7	101.5	145.2			

Year	Average price per pound	Price- support level ⁴	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1964 ⁵
			Quantity	Percentage of crop	
	<i>Cents</i>	<i>Cents</i>	<i>Millions of pounds</i>	<i>Percent</i>	<i>Millions of pounds</i>
1950.....	29.7	34.3	9.8	21.6	0
1951.....	40.3	37.4	4.9	10.6	0
1952.....	38.1	37.1	8.5	18.4	0
1953.....	33.3	35.0	7.5	18.9	0
1954.....	38.5	34.8	4.8	9.3	0
1955.....	38.4	34.6	7.9	14.4	0
1956.....	36.1	36.1	18.6	31.1	1.2
1957.....	36.4	38.8	13.9	33.1	4.9
1958.....	38.1	38.8	4.4	12.0	2.0
1959.....	38.3	38.8	5.3	12.3	3.8
1960.....	43.3	38.8	3.2	8.7	2.7
1961.....	40.2	38.8	5.1	11.8	4.4
1962.....	38.7	39.2	8.6	19.3	8.0
1963.....	36.9	39.6	13.0	26.2	12.7
1964.....		40.4			
Total.....			115.5		39.7

¹ Type 24 included until early 1950's when it became practically nonexistent.

² Year beginning Oct. 1.

³ Subject to revision.

⁴ Through 1957—75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

⁵ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

Dark air-cured tobacco, types 35 and 36: Domestic supplies, disappearance, season average price, and price-support operations for specified periods

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ¹		
				Total	Domestic	Exports
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>
Average, 1947-49	33.0	71.2	104.2	30.4	21.3	9.1
1950	25.0	76.8	101.8	32.9	22.6	10.3
1951	27.7	68.9	96.6	26.4	18.5	7.9
1952	30.1	70.2	100.3	25.2	19.2	6.0
1953	23.6	75.2	98.8	26.7	20.1	6.6
1954	30.4	72.1	102.5	25.9	16.3	9.6
1955	27.8	76.6	104.4	23.6	18.4	5.2
1956	30.7	80.8	111.5	34.0	23.4	10.6
1957	19.8	77.5	97.3	24.8	18.5	6.3
1958	16.1	72.5	88.6	25.0	17.5	7.5
1959	19.3	63.6	82.9	21.9	16.4	5.5
1960	18.2	61.0	79.2	22.0	17.3	4.7
1961	20.6	57.2	77.8	22.6	17.9	4.7
1962	22.5	55.2	77.7	19.5	16.5	3.0
1963	24.2	58.2	82.4	21.2	18.1	3.1
1964 ²	21.3	61.2	82.5			

Year	Average price per pound	Price- support level ³	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1964 ⁴
			Quantity	Percentage of crop	
	<i>Cents</i>	<i>Cents</i>	<i>Millions of pounds</i>	<i>Percent</i>	<i>Millions of pounds</i>
1950	23.2	30.5	4.1	16.3	0
1951	34.3	33.2	7.3	26.4	0
1952	31.6	33.0	⁵ 9.9	32.9	0
1953	25.2	31.1	7.5	31.8	0
1954	34.3	30.9	7.2	23.7	0
1955	31.8	30.8	6.3	22.7	0
1956	34.0	32.1	6.6	21.5	.5
1957	36.1	34.5	3.0	15.2	2.0
1958	38.4	34.5	.5	2.7	.3
1959	34.5	34.5	3.7	19.2	3.5
1960	37.4	34.5	2.2	12.2	2.0
1961	37.8	34.5	1.9	9.2	1.8
1962	36.2	34.8	4.1	18.2	3.8
1963	33.3	35.2	8.3	34.3	8.2
1964		35.5	(⁶)	(⁶)	(⁶)
Total					22.1

¹ Year beginning Oct. 1.

² Subject to revision.

³ Through 1957-66 $\frac{2}{3}$ percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

⁴ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

⁵ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953.

⁶ Through mid-December, about 15 percent of marketings were placed under loan.

Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price-support operations for specified periods

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ¹		
				Total	Domestic	Exports
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>
Average, 1947-49.....	3.0	3.6	6.6	3.0		
1950.....	3.6	4.0	7.6	3.5	3.0	0.5
1951.....	4.0	4.1	8.1	3.8	3.1	.7
1952.....	3.7	4.3	8.0	4.0	3.4	.6
1953.....	2.9	4.0	6.9	3.2	2.7	.5
1954.....	3.7	3.7	7.4	3.2	2.7	.5
1955.....	3.3	4.2	7.5	2.9	2.1	.8
1956.....	3.2	4.6	7.8	2.5	1.9	.6
1957.....	2.7	5.3	8.0	2.5	1.9	.6
1958.....	1.9	5.5	7.4	2.5	2.2	.3
1959.....	2.2	4.9	7.1	1.9	1.6	.3
1960.....	1.8	5.2	7.0	2.0	1.7	.3
1961.....	2.2	5.0	7.2	2.1	1.8	.3
1962.....	2.3	5.1	7.4	2.3	2.0	.3
1963.....	1.1	5.1	6.2	2.0	1.7	.3
1964 ²	1.7	4.2	5.9			

Year	Average price per pound	Price- support level ³	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1964
			Quantity	Percentage of crop	
	<i>Cents</i>	<i>Cents</i>	<i>Thousands of pounds</i>	<i>Percent</i>	<i>Thousands of pounds</i>
1950.....	33.9	30.5	34	0.9	0
1951.....	34.6	33.2	59	1.5	0
1952.....	31.6	33.0	84	2.3	0
1953.....	31.8	31.1	24	.8	0
1954.....	32.2	30.9	123	3.3	0
1955.....	25.3	30.8	72	2.2	0
1956.....	35.7	32.1	103	3.2	0
1957.....	34.0	34.5	11	.4	0
1958.....	36.8	34.5	29	1.5	0
1959.....	34.4	34.5	24	1.1	0
1960.....	37.9	34.5	4	.2	0
1961.....	39.8	34.5	7	.3	0
1962.....	37.4	34.8	59	2.6	0
1963.....	31.4	35.2	92	8.1	0
1964.....		35.5	(4)	(4)	
Total.....			725		0

¹ Year beginning Oct. 1.

² Subject to revision.

³ Through 1957—66½ percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

⁴ Through mid-December, less than 1 percent of marketings were placed under loan.

100 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Cigar-filler tobacco, types 41 to 46: Domestic supplies, disappearance, and season average prices, for specified periods

PENNSYLVANIA SEED LEAF (TYPE 41)

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ¹			Average price per pound
				Total	Domestic	Exports	
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Cents</i>
Average, 1947-49.....	54.6	101.4	156.0	48.8	47.8	1.0	27.7
1950.....	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951.....	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952.....	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953.....	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954.....	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955.....	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956.....	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957.....	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958.....	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959.....	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960.....	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961.....	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962.....	60.0	122.9	182.9	² 52.0	² 51.7	.3	23.5
1963.....	51.8	128.0	179.8	² 44.7	44.0	.7	21.0
1964 ³	49.0	138.1	187.1	-----	-----	-----	-----

OHIO, MIAMI VALLEY (TYPES 42 TO 44)

Average, 1947-49.....	10.2	24.5	34.7	8.7	8.7	-----	26.3
1950.....	10.5	28.0	38.5	7.3	7.3	-----	18.6
1951.....	7.3	31.2	38.5	10.0	10.0	-----	24.4
1952.....	8.8	28.5	37.3	10.0	10.0	-----	25.0
1953.....	6.6	27.3	33.9	9.8	9.8	-----	18.5
1954.....	8.0	24.1	32.1	9.2	9.2	-----	22.5
1955.....	7.5	22.9	30.4	7.2	7.2	-----	21.8
1956.....	6.3	23.2	29.5	6.4	6.4	-----	22.0
1957.....	4.6	23.1	27.7	7.2	7.2	-----	22.8
1958.....	2.5	20.5	23.0	5.9	5.9	-----	24.2
1959.....	6.9	17.1	24.0	6.5	6.5	-----	27.3
1960.....	6.6	17.5	24.1	6.5	6.5	-----	28.1
1961.....	7.7	17.6	25.3	5.1	5.1	-----	28.3
1962.....	7.5	20.2	27.7	6.6	6.6	-----	28.2
1963.....	6.8	21.1	27.9	8.7	8.7	-----	27.1
1964 ³	5.9	19.2	25.1	-----	-----	-----	-----

PUERTO RICO (TYPE 46)

Average, 1947-49.....	26.4	65.0	91.4	34.0	29.8	4.2	24.8
1950.....	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951.....	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952.....	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953.....	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954.....	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955.....	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956.....	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957.....	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958.....	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959.....	27.6	42.4	70.0	26.2	25.8	.4	32.2
1960.....	27.1	43.8	70.9	27.6	27.5	.1	34.2
1961.....	30.4	43.3	73.7	32.1	32.1	(⁴)	37.2
1962.....	35.6	41.6	77.2	28.0	28.0	-----	38.0
1963.....	32.0	49.2	81.2	29.8	29.8	-----	40.6
1964 ³	⁵ 34.0	51.4	85.4	-----	-----	-----	-----

¹ Year beginning Oct. 1.² Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year.³ Subject to revision.⁴ Negligible.⁵ Production quota for crop to be planted in late 1964.

Cigar-binder tobacco, types 51 and 52: Domestic supplies, disappearance, and season average prices, for specified periods

CONNECTICUT VALLEY BROADLEAF (TYPE 51)

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ¹			Average price per pound
				Total	Domestic	Exports	
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Cents</i>
Average, 1947-49.....	14.4	28.5	42.9	14.7	12.4	2.3	54.7
1950.....	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951.....	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952.....	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953.....	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954.....	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955.....	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956.....	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957.....	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958.....	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959.....	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960.....	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961.....	3.1	19.4	22.5	3.7	3.6	.1	43.3
1962.....	2.9	18.8	21.7	6.2	6.0	.2	53.5
1963.....	3.7	15.5	19.2	4.6	4.3	.3	51.0
1964 ²	3.6	14.6	18.2	-----	-----	-----	-----

CONNECTICUT VALLEY HAVANA SEED (TYPE 52)

Average, 1947-49.....	14.8	18.5	33.3	11.9	9.1	2.8	59.2
1950.....	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951.....	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952.....	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953.....	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954.....	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955.....	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956.....	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957.....	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958.....	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959.....	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960.....	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961.....	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962.....	2.4	11.0	13.4	3.3	2.6	.7	42.5
1963.....	2.2	10.1	12.3	4.0	2.7	1.3	41.6
1964 ²	2.1	8.3	10.4	-----	-----	-----	-----

TOTAL CONNECTICUT VALLEY (TYPES 51 AND 52)

Average, 1947-49.....	29.2	47.0	76.2	26.6	21.5	5.1	56.9
1950.....	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951.....	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952.....	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953.....	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954.....	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955.....	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956.....	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957.....	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958.....	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959.....	7.7	34.5	42.2	9.0	8.1	.9	42.6
1960.....	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961.....	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962.....	5.3	29.8	35.1	9.5	8.6	.9	48.5
1963.....	5.9	25.6	31.5	8.6	7.0	1.6	47.5
1964 ²	5.7	22.9	28.6	-----	-----	-----	-----

¹ Year beginning Oct. 1.² Subject to revision.

102 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Cigar-binder tobacco, types 54 and 55: Domestic supplies, disappearance, and season average prices, for specified periods

SOUTHERN WISCONSIN (TYPE 54)

[Farm-sales weight]

Year	Production	Stocks, Oct. 1	Supply	Disappearance ¹			Average price per pound
				Total	Domestic	Exports	
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Cents</i>
Average, 1947-49.....	13.4	38.3	51.7	12.7	12.5	0.2	22.5
1950.....	13.2	40.1	53.3	13.0	13.0	-----	23.5
1951.....	10.4	40.3	50.7	16.0	16.0	-----	25.3
1952.....	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953.....	7.2	33.3	40.5	10.0	10.0	-----	24.3
1954.....	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955.....	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956.....	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957.....	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958.....	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959.....	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960.....	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961.....	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962.....	8.7	23.3	32.0	7.7	7.6	.1	29.3
1963.....	8.3	24.3	32.6	9.7	9.7	(²)	30.0
1964 ³	8.3	22.9	31.2	-----	-----	-----	-----

NORTHERN WISCONSIN (TYPE 55)

Average, 1947-49.....	19.6	36.3	55.9	18.5	17.5	1.0	28.8
1950.....	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951.....	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952.....	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953.....	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954.....	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955.....	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956.....	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957.....	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958.....	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959.....	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960.....	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961.....	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962.....	10.9	27.8	38.7	11.1	10.9	.2	29.1
1963.....	9.7	27.6	37.3	12.5	12.5	(²)	31.6
1964 ³	10.4	24.8	35.2	-----	-----	-----	-----

TOTAL WISCONSIN TYPES (54 AND 55)

Average, 1947-49.....	33.0	74.6	107.6	31.2	30.0	2.1	26.2
1950.....	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951.....	23.3	93.4	106.7	31.6	31.5	.1	28.6
1952.....	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953.....	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954.....	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955.....	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956.....	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957.....	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958.....	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959.....	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960.....	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961.....	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962.....	19.6	51.1	70.7	18.9	18.6	.6	29.2
1963.....	18.0	51.9	68.9	22.2	22.2	(²)	30.9
1964 ^{1 3}	18.7	47.7	66.4	-----	-----	-----	-----

¹ Year beginning Oct. 1.

² Negligible.

³ Subject to revision.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO 103

Cigar-wrapper tobacco, types 61 and 62: Domestic supplies, disappearance, and season average prices, for specified periods

CONNECTICUT VALLEY SHADE GROWN (TYPE 61)

[Farm-sales weight]

Year	Production	Stocks, July 1	Supply	Disappearance ¹			Average price per pound
				Total	Domestic	Exports	
	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Millions of pounds</i>	<i>Cents</i>
Average, 1947-49	10.2	11.0	21.0	8.9			268.3
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	15.1	27.1	11.4	8.9	2.5	190.0
1961	10.3	15.7	26.0	12.2	8.9	3.3	235.0
1962	11.9	13.8	25.7	12.0	9.2	2.8	250.0
1963	12.0	13.7	25.7	14.2	10.1	4.1	260.0
1964 ²	13.3	11.5	24.8				

GEORGIA-FLORIDA SHADE GROWN (TYPE 62)

Average, 1947-49	5.2	3.8	9.1	4.3			235.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.6	16.9	6.5	5.5	1.0	200.0
1961	8.8	10.4	19.2	9.2	6.6	2.6	190.0
1962	7.4	10.0	17.4	8.5	6.4	2.1	205.0
1963	6.7	8.9	15.6	7.6	5.3	2.3	205.0
1964 ²	7.6	8.0	15.6				

TOTAL SHADE GROWN (TYPES 61 AND 62)

Average, 1947-49	15.3	14.8	30.1	13.3	11.2	2.1	257.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	22.7	44.0	17.9	14.4	3.5	194.0
1961	19.1	26.1	45.2	21.4	15.5	5.9	214.0
1962	19.3	23.8	43.1	20.5	15.6	4.9	233.0
1963	18.7	22.6	41.3	21.8	15.4	6.4	240.0
1964	20.9	19.5	40.4				

¹ Year beginning July 1.

² Subject to revision.

104 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Burley tobacco—Across-State-line movement, 1963 crop

[In pounds]

State	Total ¹	Sold in—							
		Indiana	Kentucky	Missouri	North Carolina	Ohio	Tennessee	Virginia	West Virginia
Produced in—									
Alabama.....	41,496	-----	-----	-----	-----	-----	41,496	-----	-----
Arkansas.....	35,336	-----	-----	35,336	-----	-----	-----	-----	-----
Georgia.....	86,164	-----	-----	-----	41,924	-----	40,322	3,918	-----
Illinois.....	4,686	-----	2,822	-----	-----	-----	1,864	-----	-----
Indiana.....	7,140,344	7,140,344	-----	-----	-----	-----	-----	-----	-----
Kansas.....	113,444	-----	-----	113,444	-----	-----	-----	-----	-----
Kentucky.....	10,442,797	3,046,903	-----	-----	-----	209,392	6,588,836	14,118	583,548
Missouri.....	256,850	19,838	237,012	-----	-----	-----	-----	-----	-----
North Carolina.....	5,642,924	-----	-----	-----	-----	-----	5,640,894	2,030	-----
Ohio.....	10,232,838	3,646	7,954,121	-----	-----	-----	-----	-----	2,275,071
South Carolina.....	768	-----	-----	-----	768	-----	-----	-----	-----
Tennessee.....	7,995,338	-----	2,055,165	-----	1,357,670	-----	-----	4,582,503	-----
Virginia.....	5,085,305	-----	-----	-----	1,851,325	-----	3,233,980	-----	-----
West Virginia.....	229,102	-----	160,478	-----	34,396	1,082	3,460	29,686	-----
Total.....	47,307,392	3,070,387	17,549,942	148,780	3,286,083	210,474	15,550,852	4,632,255	2,858,619

¹ Does not include tobacco marketed in State where produced.*Flue-cured tobacco—Across-State-line movement, 1963 crop*

[In pounds]

State	Total ¹	Sold in—				
		Florida	Georgia	North Carolina	South Carolina	Virginia
Produced in—						
Alabama.....	784,072	45,284	734,168	1,544	3,076	-----
Florida.....	3,116,630	-----	3,116,630	-----	-----	-----
Georgia.....	341,838	341,838	-----	-----	-----	-----
North Carolina.....	69,904,702	157,456	2,444,303	-----	13,629,767	52,673,176
South Carolina.....	25,861,009	3,074	10,203,666	15,622,569	-----	31,700
Virginia.....	9,715,010	-----	-----	9,555,702	159,308	-----
Total.....	109,723,261	547,652	17,498,767	25,179,815	13,792,151	52,704,876

¹ Does not include tobacco marketed in State where produced.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO 105

U.S. Flue-cured tobacco: Average, yield per acre, production, price per pound, and crop value by types within States, 1956-64

ALABAMA, TYPE 14

Year	Acreage	Yield per acre	Production	Price per pound	Crop value
	<i>Acres</i>	<i>Pounds</i>	<i>1,000 pounds</i>	<i>Cents</i>	<i>1,000 dollars</i>
1956.....	550	1,165	641	48.8	313
1957.....	330	1,125	371	53.5	198
1958.....	260	1,485	386	57.5	222
1959.....	450	1,250	562	55.9	314
1960.....	460	1,530	704	53.8	379
1961.....	470	1,535	721	59.3	428
1962.....	500	1,720	860	51.0	439
1963 ¹	470	1,670	785	52.1	409
1964 ¹	480	1,530	735	-----	-----

FLORIDA, TYPE 14

1956.....	17,700	1,225	21,682	48.5	10,516
1957.....	11,400	1,350	15,390	56.7	8,726
1958.....	11,100	1,485	16,484	57.3	9,445
1959.....	13,900	1,395	19,390	59.8	11,595
1960.....	13,800	1,595	22,011	57.2	12,590
1961.....	14,000	1,850	25,900	60.6	15,695
1962.....	14,800	1,960	29,008	56.3	16,332
1963 ¹	14,000	1,845	25,830	57.0	14,723
1964 ¹	12,600	1,765	22,239	-----	-----

GEORGIA, TYPE 14

1956.....	88,000	1,455	128,040	48.5	62,099
1957.....	63,000	1,290	81,270	56.1	45,592
1958.....	58,000	1,545	89,610	57.5	51,526
1959.....	69,000	1,520	104,880	58.1	60,935
1960.....	70,000	1,845	129,150	56.8	73,357
1961.....	70,500	1,930	136,065	59.0	80,278
1962.....	74,000	1,975	146,150	57.0	83,306
1963 ¹	70,500	2,025	142,762	58.0	82,802
1964 ¹	63,500	1,930	122,500	-----	-----

NORTH CAROLINA, TYPE 11

1956.....	227,000	1,525	346,175	50.2	173,780
1957.....	170,000	1,355	230,350	53.8	123,928
1958.....	163,000	1,570	255,910	57.6	147,404
1959.....	180,000	1,450	261,000	55.2	144,072
1960.....	179,000	1,630	291,770	60.4	176,229
1961.....	182,000	1,670	303,940	64.2	195,129
1962.....	191,000	1,860	355,260	60.3	214,222
1963 ¹	182,000	1,790	325,780	56.9	185,369
1964 ¹	164,000	2,150	352,600	-----	-----

NORTH CAROLINA, TYPE 12

1956.....	282,000	1,760	496,320	51.8	257,094
1957.....	218,000	1,535	334,630	54.8	183,377
1958.....	213,000	1,825	388,725	57.7	224,294
1959.....	223,000	1,55	345,650	58.7	202,897
1960.....	223,000	1,980	441,540	61.2	270,222
1961.....	225,000	1,875	421,875	65.5	276,328
1962.....	234,000	1,825	427,050	59.8	255,376
1963 ¹	223,000	2,140	477,220	58.7	280,128
1964 ¹	202,000	2,375	479,750	-----	-----

See footnotes at end of table, p. 106.

106 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

U.S. Flue-cured tobacco: Average, yield per acre, production, price per pound, and crop value by types within States, 1956-64—Continued

NORTH CAROLINA, TYPE 13

Year	Acreage	Yield per acre	Production	Price per pound	Crop value
	<i>Acres</i>	<i>Pounds</i>	<i>1,000 pounds</i>	<i>Cents</i>	<i>1,000 dollars</i>
1956.....	70,000	1,700	119,000	55.0	65,450
1957.....	55,000	1,560	85,800	59.6	51,137
1958.....	53,000	1,740	92,220	60.3	55,609
1959.....	55,500	1,735	96,292	62.4	60,086
1960.....	55,500	1,920	106,560	62.2	66,280
1961.....	56,000	1,960	106,400	65.8	70,011
1962.....	58,000	2,250	131,500	61.3	79,996
1963 ¹	55,500	2,120	117,660	59.6	70,125
1964 ¹	50,000	2,350	117,500	-----	-----

SOUTH CAROLINA, TYPE 13

1956.....	102,000	1,700	173,400	52.4	90,862
1957.....	78,000	1,650	128,700	59.7	76,834
1958.....	76,000	1,725	131,100	59.9	78,529
1959.....	81,000	1,765	142,165	63.0	90,068
1960.....	80,000	1,815	147,600	61.5	90,774
1961.....	80,000	1,895	151,600	65.7	99,601
1962.....	84,000	2,265	190,260	61.1	116,249
1963 ¹	80,000	2,030	162,400	60.0	97,440
1964 ¹	72,000	2,150	154,800	-----	-----

VIRGINIA, TYPE 11

1956.....	88,000	1,560	137,280	52.8	72,484
1957.....	67,000	1,470	98,400	51.2	50,427
1958.....	65,000	1,640	106,000	57.9	61,721
1959.....	70,500	1,560	109,980	54.4	59,829
1960.....	70,000	1,590	111,300	59.4	66,112
1961.....	70,500	1,580	111,300	63.5	70,733
1962.....	73,000	1,760	129,360	62.0	80,203
1963 ¹	69,000	1,725	119,025	54.0	64,274
1964 ¹	63,000	2,100	132,300	-----	-----

¹ Preliminary.

Source: Compiled from reports of the Agricultural Estimates Division, SRS.

Distribution of 1962 Flue-cured tobacco allotments by size groups

Size of allotments		North Carolina		Florida		Alabama		Georgia		South Carolina		Virginia		Total	
From—	Through—	Num- ber of farms	Acreage allotted	Num- ber of farms	Acreage allotted	Num- ber of farms	Acreage allotted	Num- ber of farms	Acreage allotted	Num- ber of farms	Acreage allotted	Num- ber of farms	Acreage allotted	Num- ber of farms	Acreage allotted
0.01	0.50	9,510	2,243.62	679	157.17	64	14.13	1,553	366.38	4,058	942.42	1,432	352.20	17,326	4,075.92
0.51	1.00	9,567	7,079.07	844	625.87	35	26.40	2,193	1,648.25	3,031	2,168.80	2,191	1,629.03	17,861	13,176.92
1.01	2.00	22,240	33,231.90	2,644	3,780.44	51	80.80	8,148	12,120.04	5,299	7,532.31	5,927	8,796.53	44,239	65,542.02
2.01	3.00	23,115	57,667.84	1,271	3,089.15	51	129.70	5,950	14,580.42	3,813	9,444.94	4,344	10,649.43	38,544	95,561.45
3.01	4.00	17,373	59,471.55	576	1,979.84	24	83.15	2,849	9,837.07	2,963	10,168.18	3,213	11,127.76	26,998	92,687.55
4.01	5.00	10,522	47,164.63	324	1,445.18	13	58.35	1,853	8,306.92	1,861	8,346.85	2,010	9,012.10	16,583	74,334.03
5.01	6.00	6,356	34,752.11	170	933.13	5	26.54	971	5,317.94	1,150	6,233.41	1,104	6,052.39	9,756	53,315.52
6.01	7.00	5,302	34,146.42	87	565.53	3	19.01	641	4,128.04	1,159	5,480.74	813	5,260.20	7,695	49,599.94
7.01	8.00	3,300	34,746.17	65	488.40	—	—	406	3,038.67	603	4,558.67	483	3,612.97	4,857	36,444.88
8.01	9.00	2,437	20,651.44	62	529.62	2	16.27	307	2,599.08	384	3,245.43	342	2,834.76	3,534	29,936.60
9.01	10.00	1,819	17,226.57	35	330.84	1	9.28	217	2,059.86	362	3,424.69	258	2,435.63	2,692	25,486.87
10.01	20.00	6,257	83,824.74	103	1,381.41	5	68.62	622	8,192.62	1,151	15,534.17	674	8,796.25	8,812	117,767.81
20.01	50.00	1,778	50,502.50	16	484.99	—	—	109	3,029.25	284	7,959.44	117	3,251.37	2,334	65,230.55
50.01	100.00	199	13,051.82	1	82.31	—	—	7	384.97	17	1,111.47	10	661.33	234	15,291.90
100.01	200.00	36	5,015.90	—	—	—	—	1	134.40	3	424.72	2	237.44	42	5,812.46
Over 200.00	—	4	967.65	—	—	—	—	—	—	—	—	—	—	4	967.65
Total	—	119,815	491,743.93	6,877	15,873.88	254	532.25	25,857	75,743.91	25,758	86,545.74	22,920	74,772.36	201,481	745,212.07

Distribution of 1962 Fire-cured tobacco allotments by size groups

Size of allotments		Kentucky		Tennessee		Virginia		Illinois		Total	
From--	Through--	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted
0.1	0.10	425	25.27	215	13.32	357	22.24	---	---	997	60.83
0.11	0.20	320	50.33	203	32.05	273	43.63	---	---	979	126.16
0.21	0.30	261	65.89	198	50.76	323	81.35	---	0.15	782	198.00
0.31	0.40	360	132.35	369	137.35	648	244.02	---	---	1,377	513.72
0.41	0.50	246	115.90	264	124.82	376	179.48	---	---	886	419.90
0.51	0.60	253	148.28	266	150.72	485	275.88	---	---	1,004	659.88
0.61	0.70	254	166.65	239	156.70	366	240.12	---	---	859	563.47
0.71	0.80	311	230.06	335	248.28	448	331.37	---	---	1,094	809.71
0.81	0.90	376	321.02	430	365.39	449	380.60	---	---	1,255	1,067.01
0.91	1.00	334	322.10	323	311.76	327	319.27	---	---	984	953.13
1.01	2.00	3,166	4,648.85	2,691	3,894.89	2,048	2,917.34	---	---	7,905	11,461.08
2.01	3.00	1,658	3,986.08	1,685	4,079.09	737	1,767.76	---	---	4,080	9,832.93
3.01	4.00	551	1,890.62	521	2,494.92	259	889.20	---	---	1,531	5,274.74
4.01	5.00	232	1,027.03	365	1,611.99	105	467.15	---	---	702	3,108.17
5.01	6.00	121	663.34	173	938.73	55	297.22	---	---	349	1,899.29
6.01	7.00	70	452.59	98	633.39	34	218.79	---	---	202	1,304.77
7.01	8.00	36	267.28	61	453.12	12	89.74	---	---	109	810.14
8.01	9.00	19	162.81	44	309.67	7	58.77	---	---	70	591.25
9.01	10.00	16	152.49	35	322.79	6	57.72	---	---	57	533.00
10.01	20.00	37	482.11	56	715.91	14	174.65	---	---	107	1,372.67
20.01	50.00	5	140.90	11	318.49	3	74.09	---	---	19	533.48
50.01	100.00	1	64.78	---	---	---	---	---	---	1	64.78
Over 100.00	---	---	---	---	---	---	---	---	---	---	---
Total	---	9,052	15,511.73	8,782	17,423.84	7,332	9,130.39	1	.15	25,167	42,066.11

Distribution of 1962 burley tobacco allotments by size groups

Size of allotments		Kentucky		Tennessee		North Carolina		Virginia		Ohio		Indiana	
From—	Through—	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted
0.01	0.10	1,669	94.09	1,836	112.26	305	22.43	169	9.89	101	5.86	135	8.61
0.11	0.20	5,765	775.23	5,858	813.60	1,406	210.07	1,098	152.55	553	69.47	523	69.15
0.21	0.30	4,923	1,143.00	5,623	1,314.25	1,648	385.42	1,123	264.61	459	106.25	469	108.18
0.31	0.40	5,079	1,754.33	6,187	2,136.85	1,978	681.24	1,217	420.00	488	166.87	404	138.86
0.41	0.50	4,638	2,099.17	5,835	2,640.53	1,678	758.64	1,078	488.57	442	199.34	438	197.70
0.51	0.60	9,839	5,502.02	9,890	5,533.03	2,241	1,234.67	2,109	1,181.37	1,040	580.37	1,002	599.93
0.61	0.70	30,541	20,735.48	29,726	20,199.00	5,229	3,553.79	5,610	3,813.16	3,347	2,284.91	3,140	2,133.12
0.71	0.80	7,585	5,724.68	6,194	4,662.76	702	529.12	1,027	776.51	441	332.47	492	370.12
0.81	0.90	4,955	4,211.87	3,166	2,654.20	423	362.01	633	538.30	366	310.41	333	282.13
0.91	1.00	4,273	3,979.08	1,923	1,807.74	264	247.02	394	366.87	250	231.13	209	193.63
1.01	2.00	33,693	47,229.32	13,261	17,613.26	1,924	2,507.97	2,415	3,153.77	2,231	3,036.14	1,816	2,454.76
2.01	3.00	14,388	34,491.21	2,391	5,637.66	278	646.12	335	787.36	723	1,698.03	429	1,022.81
3.01	4.00	6,382	22,646.94	723	2,478.95	61	206.73	78	264.91	227	769.40	143	483.62
4.01	5.00	3,631	16,129.34	277	1,234.26	19	84.47	28	124.77	107	473.83	53	232.49
5.01	6.00	2,081	11,363.99	127	691.78	8	43.13	3	15.91	55	301.21	26	143.14
6.01	7.00	1,277	8,281.09	68	442.81	6	38.14	6	38.71	26	169.80	10	64.58
7.01	8.00	842	6,325.30	45	338.61	1	7.87	3	19.19	14	102.87	8	61.73
8.01	9.00	498	4,216.48	23	195.96	---	---	1	8.09	4	34.63	8	66.61
9.01	10.00	394	3,733.29	13	121.97	---	---	2	18.89	9	84.42	3	28.12
10.01	20.00	1,240	16,620.68	49	642.43	1	10.53	3	33.90	14	171.36	8	103.66
20.01	50.00	257	7,372.96	7	178.43	---	---	---	---	3	87.96	---	---
50.01	100.00	20	1,283.61	---	---	---	---	---	---	---	---	---	---
Over 100.00	---	3	333.61	---	---	---	---	---	---	---	---	---	---
Total	---	144,123	226,051.87	93,222	71,480.34	18,172	11,549.37	17,332	12,480.33	10,900	11,216.73	9,649	8,722.95

Distribution of 1962 burley tobacco allotments by size groups—Continued

Size of allotments		West Virginia		Missouri		Georgia		Texas		Illinois		South Carolina	
From—	Through—	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted
0.01	0.10	7	0.44	8	0.50	11	0.60	1	0.12	1	0.11		
0.11	0.20	282	35.87	36	4.93	45	5.54						
0.21	0.30	266	61.17	23	5.22	21	4.83			1	.21		
0.31	0.40	292	99.61	29	9.89	15	5.08	1	.34	1	.64	2	0.73
0.41	0.50	261	118.67	54	25.86	6	2.75			2	2.00	2	.86
0.51	0.60	567	316.35	165	92.11	26	14.47			4	1.67	1	.56
0.61	0.70	1,743	1,184.62	270	182.50	77	52.31			3		3	2.04
0.71	0.80	279	209.71	68	51.24	2	1.57						
0.81	0.90	106	90.49	47	40.16	2	1.75			1	.84	1	.84
0.91	1.00	78	72.02	47	44.55								
1.01	2.00	613	811.90	398	557.09	6	7.50						
2.01	3.00	173	146.32	173	416.01	1	2.86						
3.01	4.00	18	60.09	116	392.90								
4.01	5.00	4	17.83	73	334.32								
5.01	6.00			45	240.93								
6.01	7.00	34	221.65	34	221.65								
7.01	8.00			22	163.78								
8.01	9.00			6	51.00								
9.01	10.00			12	114.67								
10.01	20.00			26	352.23								
20.01	30.00			2	69.78								
30.01	50.00			52	52.25								
50.01	100.00			1	133.73								
Over 100.00				1									
Total.....		4,581	3,231.91	1,656	3,557.51	212	99.26	2	.46	12	5.47	9	5.03

Size of allotments		Alabama		Arkansas		Pennsylvania		Kansas		Total	
From—	Through—	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted
0.01	0.10	4	0.20	1	0.10					4,246	254.98
0.11	0.20	4	.47	3	.39					15,575	2,137.50
0.21	0.30	3	.64	1	.21					14,560	3,398.99
0.31	0.40	4	1.36	1	.34			1	0.38	15,700	5,416.52
0.41	0.50	2	.87	2	.95			1	.47	14,441	6,536.33
0.51	0.60	6	3.40	17	9.50			4	2.21	26,910	15,051.66
0.61	0.70	5	3.40	30	20.40			10	6.80	79,731	54,171.53
0.71	0.80	3	2.25	7	5.25	1	0.74	2	1.48	16,803	12,667.90
0.81	0.90	1	.85	3	2.52					10,037	8,526.37
0.91	1.00			3	2.76					7,441	6,944.81
1.01	2.00	3	4.05	9	13.05	1	1.51	20	26.94	56,390	77,417.26
2.01	3.00	4	9.89	1	2.02			5	12.74	19,742	44,873.03
3.01	4.00	2	6.90	1	3.20			3	9.94	7,954	27,323.58
4.01	5.00							1	4.89	4,193	18,635.40
5.01	6.00							4	22.02	2,349	12,822.11
6.01	7.00							2	13.82	1,430	9,277.42
7.01	8.00									935	7,022.44
8.01	9.00									540	4,572.77
9.01	10.00									433	4,101.36
10.01	20.00									1,341	17,934.80
20.01	50.00									269	7,709.13
50.01	100.00									21	1,335.86
Over 100.00										4	467.34
Total		41	34.28	79	60.69	2	2.25	53	101.69	3,000.45	348,600.14

Distribution of 1962 Dark Air-cured tobacco allotments by size groups

Size of allotments		Indiana		Kentucky		Tennessee		Total	
From—	Through—	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted
0.01	0.10	28	1.16	1,803	99.67	679	41.28	2,510	142.11
0.11	0.20	21	2.95	1,289	196.91	512	78.19	1,822	278.05
0.21	0.30	15	3.47	1,904	444.04	717	164.87	2,636	612.38
0.31	0.40	20	7.27	2,933	1,039.26	920	319.42	3,873	1,365.95
0.41	0.50	10	4.53	2,460	1,127.42	600	275.47	3,070	1,407.42
0.51	0.60	5	2.87	1,146	617.94	250	135.54	1,401	756.35
0.61	0.70	5	3.19	1,469	941.77	238	152.14	1,712	1,097.10
0.71	0.80	3	2.28	1,370	1,040.26	235	178.63	1,608	1,221.17
0.81	0.90	1	1.82	619	523.17	76	64.09	696	588.08
0.91	1.00	2	1.84	8,02	762.62	116	110.31	920	874.77
1.01	2.00	6	8.17	29,04	3,915.08	387	520.00	3,297	4,443.25
2.01	3.00	1	2.06	541	1,310.34	63	148.85	605	1,461.25
3.01	4.00	1	3.28	189	641.42	12	39.51	202	684.21
4.01	5.00			70	310.01	7	31.03	77	341.04
5.01	6.00			30	163.54	2	10.85	32	174.39
6.01	7.00			17	109.37			17	109.37
7.01	8.00			13	96.25			13	96.25
8.01	9.00			4	33.84	1	8.66	5	42.50
9.01	10.00			2	18.69			2	18.69
10.01	20.00			7	88.24			7	88.24
20.01	50.00			1	39.59			1	39.59
50.01	100.00								
Over 100.00									
Total		118	43.89	19,573	13,519.43	4,815	2,278.84	24,506	15,842.16

Distribution of 1962 Maryland tobacco allotments by size groups

Size of allotments		Maryland		Virginia		Delaware		Total	
From—	Through—	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted	Number of farms	Acreage allotted
0.01	0.50	363	111.55	76	16.51	1	0.13	440	128.19
0.51	1.00	454	357.69	11	6.30			465	363.99
1.01	2.00	716	1,100.79	5	5.82			721	1,106.61
2.01	3.00	631	1,588.40					631	1,588.40
3.01	4.00	591	2,086.87	1	3.07			592	2,089.94
4.01	5.00	474	2,157.16					474	2,157.16
5.01	6.00	405	2,204.75					405	2,204.75
6.01	7.00	371	2,435.38					371	2,435.38
7.01	8.00	355	2,636.06					355	2,686.06
8.01	9.00	280	2,419.59					280	2,419.59
9.01	10.00	273	2,555.73					273	2,555.73
10.01	20.00	1,358	18,929.12					1,358	18,929.12
20.01	50.00	347	9,437.80					347	9,437.80
50.01	100.00	21	1,301.65					21	1,301.65
100.01	200.00	2	277.09					2	277.09
Over 200.00									
Total		6,641	49,709.63	93	31.70	1	.13	6,735	49,741.46

Distribution of 1962 Cigar filler and binder tobacco allotments by size groups

Size of allotments		Types 42 to 44, Ohio		Types 44 to 53, Pennsylvania		Type 53, New York		Types 54 and 55				Total							
		From—	Through—	Num- ber of farms	Acreage allotted	Num- ber of farms	Acreage allotted	Wisconsin		Indiana		Illinois		Iowa		Minnesota		Num- ber of farms	Acreage allotted
0.01	0.50	136	36.75	50	11.43	39	9.93	773	187.08	—	—	—	—	—	—	36	9.48	1,034	254.67
0.51	1.00	125	93.71	23	15.76	12	9.16	769	589.21	—	0.12	1	0.79	—	—	19	15.94	950	725.69
1.01	2.00	245	372.10	13	18.40	14	20.48	1,614	2,438.86	1	1.15	—	—	—	—	26	39.15	1,913	2,890.14
2.01	3.00	402	1,023.83	8	19.15	4	10.06	1,379	3,440.92	—	—	2	4.68	—	—	18	43.39	1,813	4,542.03
3.01	4.00	298	1,046.76	9	32.01	1	3.47	836	2,899.26	—	—	—	—	—	—	11	38.06	1,155	4,019.56
4.01	5.00	179	792.19	6	27.14	1	4.45	496	2,211.23	—	—	—	—	—	—	5	21.95	1,687	3,056.96
5.01	6.00	97	528.23	5	27.03	—	—	311	1,687.11	—	—	—	—	—	—	1	3.66	414	2,248.03
6.01	7.00	48	369.90	4	25.21	—	—	123	798.51	—	—	—	—	—	—	1	6.05	176	1,140.67
7.01	8.00	17	125.45	2	14.40	—	—	51	380.13	—	—	—	—	—	—	1	7.65	72	534.87
8.01	9.00	13	109.58	1	8.52	—	—	37	314.65	—	—	1	7.24	—	—	—	—	51	432.75
9.01	10.00	6	56.57	—	—	—	—	32	302.15	—	—	—	—	—	—	—	—	38	358.72
10.01	20.00	13	151.73	—	—	—	—	42	554.61	—	—	—	—	—	—	1	10.72	56	717.06
20.01	50.00	1	25.58	—	—	—	—	1	20.40	—	—	—	—	—	—	—	—	2	45.98
50.01	100.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
100.01	200.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Over 200.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	1,580	4,672.38	121	201.05	71	57.55	6,464	15,824.12	2	1.27	3	5.47	1	7.24	119	198.05	3,361	20,967.13

Distribution of 1962 Cigar-binder (types 51 and 52) tobacco allotments by size groups

Size of allotments			Connecticut		Massachusetts		New York		Vermont		Total
From	Through	Number of farms	Acres allotted	Number of farms	Acres allotted	Number of farms	Acres allotted	Number of farms	Acres allotted	Number of farms	Acres allotted
0.01	0.50	63	21.22	47	15.97	1	0.08			111	37.27
0.51	1.00	123	92.06	109	79.21					232	171.27
1.01	2.00	280	419.57	275	400.41					555	819.98
2.01	3.00	226	555.79	200	490.15					426	1,055.94
3.01	4.00	182	652.19	120	414.14					302	1,066.33
4.01	5.00	109	494.19	63	284.52					172	778.71
5.01	6.00	80	452.14	55	299.33			1	5.76	136	757.23
6.01	7.00	42	270.00	27	176.04					69	446.04
7.01	8.00	45	354.32	15	112.70					60	467.02
8.01	9.00	38	321.71	11	93.11					49	414.82
9.01	10.00	25	238.33	7	66.79					32	305.12
10.01	20.00	87	1,226.20	25	317.21					112	1,543.41
20.01	50.00	14	454.55	8	228.11					22	682.66
50.01	100.00	2	105.39							2	105.39
100.01	200.00	2	248.32							2	248.32
Over 200.00											
Total		1,318	5,915.98	992	2,977.69	1	.08	1	5.76	2,282	8,899.51

Distribution of 1962 Virginia Sun-cured tobacco allotments by size groups

Size of allotments			Virginia		Size of allotments			Virginia	
From	Through	Number of farms	Acres allotted	Number of farms	From	Through	Number of farms	Acres allotted	Number of farms
0.01	0.10	115	6.19						
0.11	0.20	91	14.35				5.00		95
0.21	0.30	91	24.78				6.00		50
0.31	0.40	60	22.25				7.00		28
0.41	0.50	97	46.00				8.00		12
0.51	0.60	99	56.94				9.00		8
0.61	0.70	49	32.91				10.00		4
0.71	0.80	78	60.37				20.00		7
0.81	0.90	57	49.45				50.00		
0.91	1.00	177	174.37				100.00		
1.01	2.00	690	1,057.98						
2.01	3.00	306	780.93						
3.01	4.00	192	685.25						
					Total				2,306
									4,188.61

Tobacco acreage allotted by kinds and by States, 1940-64

Kind and State	1940	1941	1942	1943	1944	1945	1946	1947
Flue cured (11 to 14):								
Alabama.....	453	445	487	489	588	516	568	560
Florida.....	13,598	13,673	15,168	16,169	19,893	21,526	24,634	25,863
Georgia.....	73,224	73,659	81,053	85,860	106,907	110,115	124,153	124,111
North Carolina.....	508,557	511,224	564,378	602,230	733,836	747,578	839,121	828,121
South Carolina.....	85,003	85,054	94,244	99,027	122,463	125,095	141,341	142,068
Virginia.....	77,375	77,604	85,892	91,687	111,440	113,658	127,408	126,042
Total.....	758,210	761,659	841,222	895,462	1,095,127	1,118,488	1,257,225	1,246,765
Burley (31):								
Alabama.....	157	162	161	179	218	232	128	108
Arkansas.....	85	82	84	106	115	108	127	105
Georgia.....	121	138	135	113	139	113	119	101
Illinois.....	34	36	37	40	54	62	51	41
Indiana.....	10,436	9,732	10,293	12,923	16,509	16,435	14,467	12,114
Kansas.....	433	451	344	538	660	598	454	366
Kentucky.....	260,306	262,873	265,183	318,513	394,700	409,790	376,996	311,953
Missouri.....	5,458	5,185	5,499	6,771	8,093	8,231	7,402	5,945
North Carolina.....	7,850	7,139	8,022	11,425	15,132	15,578	14,198	12,833
Ohio.....	13,074	12,068	12,124	16,643	21,014	21,496	18,934	15,714
Oklahoma.....	7	5	8	10	10	12	8	5
Pennsylvania.....	97	98	98	106	91	11	12	6
South Carolina.....	62,180	61,791	63,723	83,605	108,014	111,649	102,062	89,984
Tennessee.....	10,429	10,535	9,016	14,380	18,092	18,615	17,015	15,005
Texas.....	3,938	4,020	4,053	5,181	5,992	5,954	5,344	4,346
Virginia.....	374,905	374,285	378,720	470,533	588,833	608,899	557,335	463,641
Total.....	758,210	761,659	841,222	895,462	1,095,127	1,118,488	1,257,225	1,246,765
Fire cured (21 to 23):								
Illinois.....	(1)	14	15	10	(1)	(1)	11	11
Kentucky.....	(1)	33,151	33,415	36,081	(1)	(1)	46,877	46,333
Tennessee.....	(1)	35,176	33,775	36,400	(1)	(1)	47,799	47,799
Virginia.....	(1)	15,976	13,730	16,191	(1)	(1)	23,436	21,973
Total.....	(1)	84,317	80,935	288,682	(1)	(1)	117,614	116,116
Dark air cured (35 to 36):								
Indiana.....	(1)	379	382	391	(1)	(1)	444	361
Kentucky.....	(1)	30,777	30,989	33,763	(1)	(1)	41,198	37,627
Missouri.....	(1)	7	7	6	(1)	(1)	11	11
Tennessee.....	(1)	4,633	4,403	5,103	(1)	(1)	6,266	5,740
Total.....	(1)	35,796	35,781	239,263	(1)	(1)	47,908	43,739
Virginia sun cured (37): Virginia.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Grand total ^a.....	1,132,815	1,256,057	1,336,658	1,493,940	1,683,960	1,727,387	1,980,082	1,875,261

Kind and State	1948	1949	1950	1951	1952	1953	1954	1955
Flue cured (11 to 14):								
Alabama.....	487	511	509	583	618	597	629	632
Florida.....	18,746	20,002	20,209	23,370	23,702	22,003	22,289	21,360
Georgia.....	90,995	96,466	98,228	113,559	114,405	103,922	106,830	102,094
North Carolina.....	602,235	635,885	641,122	740,747	745,534	690,683	695,995	665,204
South Carolina.....	103,836	109,873	111,198	128,850	129,940	120,942	121,797	116,835
Virginia.....	91,701	96,726	97,329	112,372	113,172	104,796	105,595	100,898
Total.....	908,000	959,463	968,595	1,119,481	1,127,371	1,044,543	1,053,135	1,007,023
Burley (31):								
Alabama.....	86	84	57	69	62	55	47	31
Arkansas.....	102	104	94	97	94	87	74	57
Georgia.....	103	116	127	153	152	137	121	98
Illinois.....	37	36	29	27	20	17	10	10
Indiana.....	11,804	11,957	10,616	12,046	12,031	10,961	10,079	7,825
Kansas.....	335	341	260	243	214	179	145	100
Kentucky.....	308,155	311,689	273,920	310,244	312,214	283,768	261,683	200,311
Missouri.....	5,711	5,694	4,840	5,380	5,310	4,730	4,308	3,232
North Carolina.....	12,872	13,057	12,472	13,916	14,094	13,119	12,129	10,126
Ohio.....	15,418	15,562	13,860	15,528	15,556	14,133	13,000	10,057
Oklahoma.....	5	5	4	6	6	5	5	4
Pennsylvania.....	5	3	2	2	2	4	4	2
South Carolina.....	14	12	10	9	7	6	7	5
Tennessee.....	89,369	90,413	84,035	94,298	94,786	86,992	80,355	63,588
Texas.....	14,920	15,115	14,078	15,881	15,937	14,659	13,695	10,989
Virginia.....	4,256	4,150	3,846	4,277	4,262	3,894	3,588	2,890
Total.....	463,192	468,338	418,250	472,176	474,747	432,746	399,451	309,326
Fire cured (21 to 23):								
Illinois.....	7	6	2	1	1	1	1	1
Kentucky.....	30,961	26,289	22,622	22,777	22,655	22,787	21,614	19,269
Tennessee.....	31,797	26,926	23,322	23,488	23,506	23,621	23,467	21,402
Virginia.....	14,577	12,336	10,614	10,633	10,611	10,688	10,766	9,832
Total.....	77,342	65,557	56,560	56,899	56,773	57,096	55,847	50,504
Dark Air cured (35 to 36):								
Indiana.....	252	243	162	137	124	108	89	74
Kentucky.....	28,836	26,230	22,948	22,985	23,007	22,814	19,902	17,937
Missouri.....	8	7	6	5	4	1	1	2
Tennessee.....	4,347	3,897	3,443	3,524	3,538	3,553	3,256	2,992
Total.....	33,443	30,377	26,559	26,651	26,673	26,476	23,248	21,005
Virginia Sun cured (37): Virginia.....	(¹)	(¹)	4,350	4,349	4,756	4,935	6,111	5,746
Grand total ³.....	1,481,977	1,523,735	1,474,314	1,727,628	1,690,320	1,670,491	1,584,669	1,440,192

See footnotes at end of table, p. 119.

Tobacco acreage allotted by kinds and by States, 1940-64—Continued

Kind and State		1956	1957	1958	1959	1960	1961	1962	1963	1964
Flue cured (11 to 14):										
Alabama.....	556	500	501.13	502.53	503.03	509.84	532.25	504.43	501.80	
Florida.....	18,859	15,112	15,142.12	15,168.32	15,188.51	15,215.39	15,872.88	15,091.00	13,599.77	
Georgia.....	90,074	72,150	72,265.42	72,366.01	72,480.66	72,582.80	75,744.03	72,057.57	64,890.15	
North Carolina.....	536,026	469,311	469,851.59	470,344.05	470,774.75	471,330.90	491,750.97	467,453.32	421,045.49	
South Carolina.....	103,050	82,549	83,629.34	82,735.31	82,824.17	82,916.73	86,541.34	82,286.92	74,132.48	
Virginia.....	89,010	71,291	71,381.53	71,442.11	71,541.43	71,647.66	74,796.87	71,097.95	64,030.94	
Total.....	887,575	710,913	711,771.13	712,558.33	713,312.55	714,203.32	745,238.34	708,491.19	638,240.63	
Burley (31): 4										
Alabama.....	29	30	30.35	30.35	30.35	30.78	32.67	34.28	32.95	30.42
Arkansas.....	52	53	52.78	52.83	52.83	53.33	56.63	60.69	59.45	54.13
Georgia.....	89	86	86.93	87.38	87.70	87.70	93.80	99.26	98.58	91.16
Illinois.....	5	6	5.93	5.93	5.93	5.93	6.30	5.47	5.47	5.23
Indiana.....	7,708	7,736	7,741.13	7,744.75	7,746.01	7,746.01	8,228.95	8,715.77	8,728.78	7,906.30
Kansas.....	96	91	91.70	91.70	91.70	92.69	100.26	101.69	100.76	85.08
Kentucky.....	200,236	200,275	200,406.09	200,578.20	200,689.18	200,689.18	213,056.50	226,062.37	221,265.37	204,256.46
Missouri.....	3,205	3,188	3,190.61	3,193.31	3,193.31	3,198.88	3,398.58	3,556.48	3,551.34	3,192.96
North Carolina.....	10,113	10,121	10,149.68	10,175.27	10,200.15	10,200.15	10,863.85	11,549.03	11,574.39	10,585.67
Ohio.....	9,988	9,960	9,962.86	9,971.32	9,973.72	9,973.72	10,591.24	11,205.50	11,192.67	10,110.37
Pennsylvania.....	2	2	2.00	2.00	2.00	2.00	2.12	2.25	2.25	1.63
South Carolina.....	4	4	3.75	3.75	3.75	4.12	4.74	5.03	5.03	4.39
Tennessee.....	63,274	63,244	63,291.26	63,328.58	63,384.58	63,384.58	67,363.84	71,466.16	71,561.69	65,062.83
Texas.....	1	1	40	40	40	40	43	46	46	46
Virginia.....	10,974	10,980	11,000.03	11,018.61	11,041.30	11,041.30	11,745.60	12,478.46	12,495.86	11,369.91
West Virginia.....	2,852	2,844	2,849.80	2,855.02	2,855.02	2,855.02	3,054.18	3,229.56	3,235.10	2,941.37
Total.....	308,688	308,621	308,865.30	309,139.77	309,376.02	309,376.02	328,599.09	348,572.46	348,910.15	315,698.37

Tobacco acreage allotted by kinds and by States, 1951-64

Kind and State	1951	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
Maryland (32):													
Delaware.....	(1)	1	(1)	(1)	1	1	0.13	(1)	0.13	0.13	0.13	0.13	0.13
Maryland.....	(1)	56, 212	(1)	(1)	53, 446	47, 960	48, 136.79	(1)	48, 662.15	49, 438.76	49, 715.03	48, 193.75	47, 275.98
Virginia.....	(1)	27	(1)	(1)	39	33	33.10	(1)	33.23	33.81	31.31	25.79	22.13
Total.....	(1)	2 55, 312	(1)	(1)	53, 446	47, 994	48, 169.02	(1)	48, 695.51	49, 472.70	49, 746.47	48, 219.67	47, 298.24
Cigar filler and binder (42 to 44 and 53 to 55): ³													
Illinois.....	9	9	9	8	7	7	7.06	7.06	7.06	7.06	5.47	5.30	4.25
Indiana.....	2	3	2	2	1	1	1.47	1.47	1.47	1.47	1.27	1.27	1.27
Iowa.....	9	10	10	10	8	8	8.49	8.49	8.49	8.49	7.24	7.24	7.24
Minnesota.....	426	395	368	313	249	234	238.69	240.14	242.75	254.85	198.05	182.99	168.70
New York.....	486	425	345	283	188	96	96.50	96.50	94.10	96.86	57.77	49.76	35.66
Ohio.....	7, 099	7, 184	6, 715	6, 382	4, 999	4, 911	5, 065.80	5, 311.02	5, 448.78	5, 657.18	4, 667.60	4, 622.13	4, 584.95
Pennsylvania.....	546	548	486	425	275	247	251.89	260.89	264.72	268.35	201.05	192.58	176.04
Wisconsin.....	22, 207	22, 924	21, 377	21, 522	17, 735	17, 394	18, 063.57	18, 621.61	19, 029.85	19, 081.63	15, 824.08	15, 036.86	15, 346.68
Total.....	3 48, 072	3 49, 383	3 46, 877	3 46, 588	3 38, 404	22, 898	23, 753.47	24, 547.18	25, 097.22	25, 375.89	20, 962.53	20, 698.13	20, 324.19
Cigar binder (51 and 52): ³													
Connecticut.....	11, 540	11, 927	11, 628	11, 647	9, 910	8, 640	7, 712.56	7, 744.21	7, 714.57	6, 998.13	5, 918.98	5, 299.58	4, 492.32
Massachusetts.....	5, 724	5, 937	5, 921	5, 981	5, 023	4, 495	4, 044.06	4, 047.60	4, 054.08	3, 641.12	2, 977.69	2, 684.40	2, 188.76
New Hampshire.....	12	9	7	6	1	1	.93	.93	18	16	.08	.07	.04
New York.....	1	1	1	1	1	1	.16	.16	5.76	5.23	4.45	4.45	3.35
Vermont.....	12	11	8	8	7	6	5.76	5.76	5.76	5.23	4.45	4.45	3.35
Total.....	(3)	(3)	(3)	(3)	(3)	13, 143	11, 763.47	11, 798.68	11, 774.59	10, 644.64	8, 901.20	7, 988.50	6, 684.47

¹ Quotas disapproved by growers. Quotas for 1952 crops of Maryland and cigar filler and binder tobacco were also disapproved.

² Includes acreage allotments to Kentucky (47 acres), North Carolina (6 acres) and Tennessee (19 acres); allotments for these States not in effect in subsequent years.

³ States shown under the Cigar binder (51 and 52) group were included with the Cigar filler and binder group as a "kind" of tobacco through 1956, and totals for these years are combined; beginning in 1957 types 51 and 52 were separated from the original group as a kind of tobacco. (Quotas have not been in effect for cigar filler, type 41.)

*Stocks of leaf tobacco owned by dealers and manufacturers in the United States and Puerto Rico, 1958-64*¹

[Millions of pounds—farm-sales weight]

Kind of tobacco	Type	Quarter	1958	1959	1960	1961	1962	1963	1964
Flue cured.....	11 to 14	July.....	2,308.1	2,210.4	2,106.1	2,090.1	2,081.1	2,281.6	2,386.4
Virginia Fire cured.....	21	October.....	23.8	22.5	22.2	20.9	19.9	20.2	16.8
Kentucky-Tennessee Fire cured.....	22	do.....	89.5	81.6	82.4	74.0	72.2	73.4	79.7
Do.....	23	do.....	19.9	17.6	18.8	18.8	17.2	19.8	21.8
Burley.....	31	do.....	1,276.5	1,224.3	1,191.4	1,127.3	1,137.4	1,227.9	1,412.2
Maryland.....	32	do.....	80.3	73.0	70.9	70.0	76.2	86.0	89.6
One sucker.....	35	do.....	47.5	42.8	41.0	37.9	35.2	37.3	39.3
Green River.....	36	do.....	25.0	20.8	19.9	19.3	20.0	20.8	21.8
Virginia sun cured.....	37	do.....	5.5	4.9	5.2	5.0	5.1	5.1	4.2
Pennsylvania filler.....	41	do.....	103.7	104.3	109.7	114.9	122.9	128.0	138.1
Ohio filler.....	42 to 44	do.....	20.5	17.1	17.5	17.6	20.2	21.1	19.2
Puerto Rican.....	46	do.....	49.6	42.4	43.8	43.3	41.6	49.2	51.4
Broadleaf.....	51	do.....	22.2	20.0	20.4	19.4	18.8	15.5	14.6
Havana seed.....	52	do.....	15.9	14.5	12.8	11.8	11.0	10.1	8.3
Southern Wisconsin.....	54	do.....	20.0	20.9	22.2	23.3	23.3	24.3	22.9
Northern Wisconsin.....	55	do.....	26.6	25.3	24.4	25.4	27.8	27.6	24.8
Connecticut shade grown.....	61	July.....	13.1	13.0	15.1	15.7	13.8	13.7	11.5
Georgia-Florida shade grown.....	62	do.....	7.5	7.3	7.6	10.4	10.0	8.9	8.0
Cuba.....	81	do.....	21.2	29.2	54.2	50.7	42.4	25.7	17.3
Indonesia.....	82	do.....	.2	.1	.2	1.1	1.9	2.4	3.4
Philippines.....	83	do.....	8.7	14.9	15.9	19.5	20.8	19.1	16.7
Brazil ²	84	do.....	-----	-----	-----	-----	2.1	6.1	9.6
Colombia ²	85	do.....	-----	-----	-----	-----	10.3	12.4	20.3
Dominican Republic ²	86	do.....	-----	-----	-----	-----	6.0	11.1	15.3
Paraguay ²	87	do.....	-----	-----	-----	-----	1.5	3.7	2.8
Other ²	88	do.....	(3)	6.1	5.6	15.8	4.9	3.3	4.9
Total.....	81 to 88	July.....	30.1	50.3	75.9	87.1	89.8	83.9	90.5
Cigarette leaf (im- ported).....	90	do.....	260.6	259.1	265.6	279.6	331.8	327.3	286.3

¹ Includes loan stocks held by cooperatives.

² Prior to July 1, 1962, stocks from Brazil, Colombia, Dominican Republic, and Paraguay were not reported separately, but were included under "Other foreign-grown cigar leaf, type 84" (beginning July 1, 1962, other foreign-grown cigar leaf is designated as type 88).

³ Less than 0.1.

Percentage of sales by quality for Flue-cured tobacco, by types, 1946-62 crops.

QUALITY 1 TO 3

[In percent]

Type	Crops				
	Average, 1946-50	Average, 1951-55	Average, 1956-60	1961	1962
11a.....	33.1	20.8	13.6	16.2	15.4
11b.....	33.5	19.9	12.2	13.9	8.5
12.....	30.9	22.8	12.4	17.6	7.9
13.....	32.2	23.4	23.2	26.2	12.3
14.....	21.0	16.0	10.3	13.7	6.3
Average, 11 to 14.....	31.1	21.0	14.4	17.9	10.3

QUALITY 4 AND BELOW

11a.....	66.9	79.2	86.4	83.8	84.6
11b.....	66.5	80.1	87.8	86.1	91.5
12.....	69.1	77.2	87.6	82.4	92.1
13.....	67.8	76.6	76.8	73.8	87.7
14.....	79.0	84.0	89.7	86.3	93.7
Average, 11 to 14.....	68.9	79.0	85.6	82.1	89.7

122 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Federal, State, and local tax revenues from tobacco products for specified periods

[In millions of dollars]

Fiscal year	Federal				State, all tobacco products	Total Federal and State	Local govern- ments	Total Federal, State, and local govern- ments
	Cigar- ettes ¹	Cigars ²	Chewing, smoking, and snuff	Total ³				
Average:								
1940-44.....	719	19	58	800	127	927	-----	-----
1945-49.....	1,099	44	47	1,192	263	1,453	-----	-----
1950.....	1,243	42	42	1,328	414	1,742	-----	-----
1951.....	1,294	44	41	1,380	430	1,810	-----	-----
1952.....	1,474	45	28	1,555	449	2,014	-----	-----
1953.....	1,587	46	21	1,655	469	2,124	-----	-----
1954.....	1,514	46	20	1,580	464	2,044	-----	-----
1955.....	1,504	46	20	1,571	460	2,031	49	2,080
1956.....	1,549	45	19	1,613	516	2,129	42	2,171
1957.....	1,611	45	18	1,674	558	2,232	48	2,280
1958.....	1,668	47	18	1,734	619	2,353	50	2,403
1959.....	1,738	51	17	1,807	677	2,484	53	2,537
1960.....	1,864	50	17	1,932	923	2,855	65	2,920
1961.....	1,924	50	17	1,991	1,001	2,992	76	3,068
1962.....	1,957	50	17	2,026	1,075	3,101	72	3,173
1963.....	2,011	50	16	2,079	1,124	3,203	64	3,267
1964 ⁴	1,977	56	17	2,050	1,180	3,230	(⁵)	(⁵)

¹ Includes large cigarettes.

² Includes small cigars and amounts on cigars from Puerto Rico covered into the treasury of Puerto Rico.

³ Includes cigarette papers and tubes, floor taxes, penalties, etc.

⁴ Preliminary, State tax revenues estimated.

⁵ Local government collections for fiscal 1964 not yet available.

Source: Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Mr. GREGORY. Senator Jordan, I would also like to say that statement he referred to was made—if that was correct, by someone from our company—was made 5 years ago, and since that time there has been a great change in Georgia tobacco.

Mr. LANIER. Well, sir, 5 years ago we had 1.3 percent of our tobacco going into stabilization. The following year, 3.8. The next year, 2.4. And the next year, 2.8.

So my argument is that we still have a commodity that is acceptable to the buying companies; it is moving in the normal channels of trade.

Senator JORDAN. May I ask you one question?

Did the Georgia tobacco farmers vote for the acreage allotment price support the last referendum?

Mr. LANIER. Yes, sir. And the Georgia Farm Bureau Federation endorsed it. I had press releases and radio talks. Because I am a strong believer in a supply-management type of program. And, to my knowledge, the last time that Georgia voted against one of those referendums was possibly 1939.

You recall in 1938 that we voted out the program. Georgia voted about 62 percent, which was shy of the two-thirds. We stayed out of the program, all of us, for 1 year. And then Georgia the next year did not vote enough to get in, but North Carolina and other States brought her back in.

But beginning with 1939, I don't think you will find a year that Georgia hasn't supported these marketing quota referendums.

Senator JORDAN. Well, that prompts this question. Would you like to see price supports continue?

Mr. LANIER. Yes, sir.

Senator JORDAN. I think I can tell you without being contradicted that it could be years. But if we keep on at the rate it is going in the CCC now it won't be. And then Georgia would go down with it, just as certain as we are sitting at this table.

Mr. LANIER. I would not argue it at all, Senator. I think that you are eminently correct.

But I say this. The producers who are contributing very little to this tremendous surplus, it is hard for me to understand and to realize how we should eat out of the same spoon with those who are contributing the majority to this surplus.

Senator JORDAN. Well, I can't fall out with you about that.

But our trouble is the total pounds of tobacco. Wherever it is raised it is tobacco. And we are going to have to do something to adjust this program downward. There is no question about that.

Mr. LANIER. Well, I had interpreted—

Senator JORDAN. I might say I think this bill is designed to take care of the small tobacco farmer. If we keep on taking off 10 percent and 19½ percent, you take a man with acreage less than an acre, 2 acres—pretty soon he is not going to have one barn of tobacco. He just simply cannot stay in the tobacco business. It is not going to hurt the big farmer as much—it is going to hurt the little farmer to take these acreage reductions year after year.

Mr. LANIER. May I ask a question of you, sir?

Senator JORDAN. Certainly.

Mr. LANIER. The manner that this bill you have introduced is based primarily on quality, is that correct?

Senator JORDAN. That is certainly one of the strong features of this bill. It is the overproduction and the quality that goes with it.

Mr. LANIER. All right. Here is a people who are producing quality. But then to give them an across-the-board cut equal to those who are producing an inferior quality is a question that we have not yet resolved in the minds of our producers in Georgia.

Now, if you have a field that is infested with black shank disease—and certainly I am in sympathy with anyone who has that infestation in his field—it is not possible that he can grow a variety that will produce the quality of tobacco really that the trade wants. So I say that as long as we produce a quality that will go in the normal channels of trade, then we would ask for preferential treatment in a poundage or poundage-acreage program.

Senator JORDAN. Anybody else have any questions you want to ask?

Mr. LANIER. I stand corrected on a statement that I made at the outset of my testimony.

Mr. Homer Darden, a Georgian, and a tobacco producer, informs me it was Venable Tobacco Co. rather than Imperial. I apologize to the committee, and I apologize to you, sir.

Senator JORDAN. Thank you very much.

Mr. Fred Royster?

Mr. Royster will you give your full name and your address, and who you represent?

**STATEMENT OF F. S. ROYSTER, MANAGING DIRECTOR, BRIGHT
BELT WAREHOUSE ASSOCIATION, HENDERSON, N.C.**

Mr. ROYSTER. Mr. Chairman, and gentlemen of the committee, I am F. S. Royster, managing director of the Bright Belt Warehouse Association, Inc., which is a voluntary trade association. The association represents warehousemen who sell approximately 92 percent of all Flue-cured tobacco produced in six States. The board of governors of this association has given careful consideration to needed changes in the present tobacco program and wholeheartedly endorses changing the program from acreage controls to a combination of acreage-poundage as provided for in S. 821.

I am also a member of the North Carolina State Senate and chairman of the committee on agriculture of that body. I am authorized by this committee to convey their support of the bill under consideration.

That vote was taken at a meeting last evening, and the vote was unanimous.

I am also authorized by the distinguished Lieutenant Governor of North Carolina, the Honorable Robert W. Scott, to express on his behalf support of this proposal. Lieutenant Governor Scott is recognized as one of the agricultural leaders in America and is the son of the late Senator W. Kerr Scott who was a member of this committee. Senator Scott realized the desirability of changing the tobacco program to acreage and poundage controls 7 years ago and made an effort in this direction.

For 25 years the tobacco program has operated on control of acreage only. For a long period of time this method proved to be a satisfactory means of controlling production. However, in recent years the introduction of high-yielding varieties and changes in cultivation practices, yields per acre have increased to the point that control of production which results in acceptable quality can no longer be accomplished. If the program is to survive we must have changes provided for in the bill under consideration at the very earliest possible moment.

I shall not repeat the very competent testimony which has already been given to the committee; however, there are a few specific points that I wish to emphasize. First, under the present act when quotas are proclaimed for the 1966 crop, it will be necessary because of having to use production figures for the 1964 crop which were at an alltime high to again proclaim a substantial acreage cut in 1966.

Mr. Chairman, and gentlemen of the committee, if in 1965 under the present program and legislation, if we did not add a single pound to the surplus—and may I at this point say that the surplus means total surplus, and actually, Mr. Chairman, and gentlemen, it doesn't make any difference where it is, whether it is in the stocks of the stabilization corporation, or the various companies. What you are dealing with is total supply.

If we didn't add a pound to that total supply in 1965, we still would be faced with another substantial reduction in 1966, if we stay on acreage alone, for the reason just given.

Now, in my opinion, under the present program 1965 production will substantially exceed disappearance and a large amount of the crop will be of very inferior quality.

It will not be in demand in the marketplace.

The second point that I want to emphasize is that the primary concern of growers is the net income which they receive. If we continue in 1965 under the present program, to produce a crop of 1,200 to 1,300 million pounds—as I just said, a great deal of it of inferior quality, we will be fortunate to average as much as 55 cents per pound for the crop. Whereas, if this legislation is enacted by the Congress, changing the program, as recommended to acreage poundage, then with a national quota of 1,125 to 1,150 million, I have no hesitancy in predicting an average of at least 60 cents per pound for the 1965 crop.

And so you have a substantial increase in your grower net income.

Now, Mr. Chairman, there is another thing I think needs to be brought out here.

Under this program, the growers will have an opportunity to market more tobacco of a better quality than they would under the 1965 program with the 19½ percent.

It hasn't been brought out here, as I recall, but this proposal provides for a restoration of the acreage cut in the amount of 14½ percent, or to say it another way, your acreage in 1965 would be 95 percent of what it was in 1964.

In other words, to use for illustrative purposes—if you have a grower with 5.25-acre allotment in 1965, under this program his acreage would be 6.2 acres. And if you translate that under the terms of the bill, if you translate that into pounds, then he would have to, if he stayed on his 5.25 acres, he would have to increase his acreage several hundred pounds an acre to be where he is under this program.

So that is something that I am afraid is not too well understood.

Now, Mr. Chairman, if I may be personal, I have been with this program a long time. I have been with it since its beginning. This program was conceived out of dire necessity. The growers of tobacco in all the areas and all the types lay distraught and distracted in bankruptcy when this program was first conceived and put into effect.

We have enjoyed the benefits all these years—25 years without interruption.

It came into being originally because of complete cooperation with all of the growers of all of the types of tobacco produced in this country.

Furthermore, it came into being with the support of the manufacturers and the exporting companies.

We have faced, Mr. Chairman, many crucial situations during the past 25 years. We have come through those crucial situations because of that spirit of cooperation. And I must say that it is disturbing and alarming to me now when we are in a situation where in my humble and considered opinion we will either change this program to get it on a sound basis or the days are numbered when we will have a tobacco program.

I do not believe, Mr. Chairman, and gentlemen of the committee, that the Government or the taxpayers of this country will long indulge a program as costly as this is about to be in connection with the tobacco industry.

And so, as has been so ably said by a previous witness, this program was not conceived in haste, this program has been considered in

minute detail. Represented on the committee that made a recommendation without dissenting vote where growers from all of the areas, and certainly a vast majority of the States, including the State of Georgia.

The procedure was followed of trying to get the best that we could.

Mr. Chairman, and gentlemen of the committee, I would not claim that this is a perfect program. But I say to you with all the sincerity that I command, that we will either start in this direction at the very earliest opportunity or we are going to lose this entire tobacco support price program. When that happens, I am fearful that we will not get it back. And it will happen, unless we stand united in our efforts for the protection of the program and the protection of the entire industry, both at home and abroad.

We have had that kind of an attitude down through the years.

And I sincerely hope, and I do not believe that we have now reached the point to where we will fall apart. And I am reminded, and I say it reverently, Mr. Chairman, and gentlemen—I am reminded of the very tragic but familiar passage of Scripture that says, "And they cast lots for His garments." Certainly we haven't come to the point that we do not realize the value of this program. And certainly when we are in what I consider to be the most serious situation in 25 years—certainly we can stand together, we can afford to do no other.

Senator JORDAN. Mr. Royster, am I correct in saying that the value of a farm today that produces tobacco is pretty well based on his tobacco allotment?

Mr. ROYSTER. That is true, Mr. Chairman.

Senator JORDAN. Well, didn't we have to sell a tremendous tonnage of tobacco out of the 1955 and 1956 crop simply because the quality of that tobacco—we almost just dumped that tobacco.

Mr. ROYSTER. That is true, Mr. Chairman. We did have to do that.

Senator JORDAN. Now, it has been referred to that this poundage tobacco bill has been up before. Senator Scott was on this committee. I know that. But I would like for you to tell me and other people here today if the tobacco program was in the trouble at that time as it is now, or whether the prospects were as serious for the tobacco program as they are now.

Mr. ROYSTER. No, sir; the tobacco program was not in the difficult situation then that it is now. That was immediately after the 1955 and 1956 crops, which were unusually large crops, and with the coming into being of certain new varieties that were very undesirable and were later discounted by the support price program through the Department. But it was not in serious difficulty as it is now; no, sir.

Senator JORDAN. There is one other thing I would like for you to explain. It seems to be a little hard to understand. And I am sure it is for anyone who hasn't studied this bill.

This program will not only reduce our pounds of tobacco, but, at the same time, it will improve our quality—can you tell us how that comes about? I am referring to the acreage and pounds being involved in this bill.

Mr. ROYSTER. Well, I think it is certainly well known, by qualified people in all areas of the tobacco industry—this is the opinion that the committees base their conclusions on—that an average per acre

yield of around 1,850 pounds per acre is in the range that you get the most desirable qualities of Flue-cured tobacco.

Now, the question has been raised on the acreage phase of it why acreage was continued. It was certainly my thinking, and I think shared by the committee, that certainly in the beginning of this change in the program, that if you didn't retain some acreage control, that you would have a large number of growers who would plant substantially more acres than they should plant to produce the poundage quotas, and we would wind up with a sizable amount of tobacco that could not be marketed, and that would create a very unsatisfactory situation.

The purpose in the restoration of the 14½ percent of the cut already proclaimed for 1965 was based on the fact that that is where the computation came out, making the calculation at that desired level of 1,854 pounds per acre.

Senator JORDAN. That is all.

Senator Talmadge?

Senator TALMADGE. I want to compliment the witness on a very fine statement.

Mr. ROYSTER. Thank you, Senator.

Senator JORDAN. Senator Ervin had a statement he wanted to make.

Senator ERVIN. I just want to clarify a statement I made this morning. I said that the tobacco program had cost the Government less than any other program, and the total cost to the Federal Government has been \$330 million since the Federal Government embarked on the program in 1933. I should have made it clear at that time that only \$38.9 million of that sum had been actually spent by the Government as price supports, and that the rest of that tobacco—instead of being \$330 million, which I put in round numbers—it was \$329.1 million—that that had been shipped under Public Law 480, or had been shipped abroad by the Government in what would affect foreign policy matters to other countries. And so far as the price supports themselves were concerned, the total cost to the Government since 1933 has been only \$38.9 million, which to me is miraculous.

I want to also commend Mr. Royster on his fine statement, and apologize for not being able to be here.

I am not a member of the committee, and I have had two other committee meetings since, and I have to go to another one right now.

Senator JORDAN. Well, Senator, I corrected a statement that was made by Mr. Palmer here this morning—it was a very flattering statement, of me. He referred to me as the senior Senator from North Carolina. And I corrected it, in that I was senior by about 15 days, but not in service.

Senator ERVIN. Well, I would add to what Mr. Palmer said, that I am sure no Member of the Senate since the Senate began back in George Washington's first administration has ever had a finer colleague to work with than I have had in the person of Senator Jordan.

Senator JORDAN. Keep on talking. [Laughter.]

Senator Cooper?

Senator Cooper. I haven't anything to say, except I have not only listened with great interest to your statement, but I have also enjoyed it. I think we need your type speaker in the Senate.

Mr. ROYSTER. Thank you.

Senator JORDAN. Thank you very much, Mr. Royster. You have made a very fine statement.

Mr. A. J. Hall, Virginia Farmers Union.

Mr. Hall, will you have a seat, please, sir, and give your name and who you represent.

STATEMENT OF A. J. HALL, PRESIDENT, VIRGINIA FARMERS UNION, WINDSOR, VA., ALSO REPRESENTING THE NATIONAL FARMERS UNION

Mr. HALL. Thank you, Mr. Chairman, and members of the committee. My name is Jack Hall. I live in Windsor, Va., and I am president of the Virginia Farmers Union. That is the Virginia division of National Farmers Union.

I am glad to be here today, and I want to thank you for the opportunity to express my views on the proposed legislation under consideration. I want to depart from the text of my statement, Mr. Chairman, briefly, because I have been authorized by the chairman of the agriculture committee of the Grange to say that they concur in the statement that I have to make here, and also I was informed this morning by the Washington legislative representative of National Farmers Union that my statement would also be the statement of National Farmers Union. I am on their board of directors.

Senator JORDAN. Thank you very much.

Mr. HALL. Virginia Flue-cured tobacco growers supported their support program by a 95.1-percent "yes" vote in the December 15, 1964, tobacco referendum. The growers supported the program in spite of a more than 19 percent cut in acreage which had been announced prior to the vote. This large vote indicated that tobacco growers, given the opportunity, will accept the responsibility of revising their program to protect the integrity of the tobacco program.

Mr. Chairman, no doubt you and your committee are aware that we now have some very serious problems in the operation of the tobacco program. These problems have developed through vastly increased yields per acre of tobacco; through our failure to develop new export markets; and because of the report of the Surgeon General of the U.S. Public Health Service on smoking and health.

Mr. Chairman, I am now of the opinion that acreage controls are not all that are needed to properly manage our production effectively. I am here today in support of the proposals to give the tobacco producer the opportunity to further strengthen the tobacco program by moving to an acreage-poundage control program as proposed in the legislation under consideration before this committee.

Mr. Chairman, I have heard from the Congress and the Department of Agriculture that farmers are divided; suggestions have come to us to get together and come to the Congress with a program that is generally acceptable to most growers and farm organizations.

I am pleased to report to you that the Virginia Farmers Union and the Virginia Farm Bureau Federation and also the Grange have joined in supporting this bill to give tobacco producers the opportunity to vote for or against the acreage-poundage concept. A meeting of the chairmen of the tobacco committees of both these organizations was held in South Hill, Va., on Friday of last week and we are in agreement in principle on this proposed bill.

I am aware that considerable sentiment exists in favor of the acreage-poundage approach as contained in the proposed legislation; however, I think that certain refinements can be made to make the proposal more equitable; resulting in more popular support than can now be counted on by growers.

I would like to suggest that in developing the formula for setting the acreage-poundage quotas, that 7 years instead of 5 years be used as a base period, using the years 1957-63. This would give a wider spread to averages figured. Whether conditions in some areas in 1963 were so severe that the Department of Agriculture declared disaster counties in some parts of the tobacco-growing States. These counties should be allowed to substitute 1964 yields for 1963 yields. Then, too, I would suggest that consideration be given to allow a direct adjustment for those counties which were declared disaster areas in 1963. Since this was a recognized disaster, many of our growers feel that relief should be given in such cases.

Mr. Chairman and members of the committee, on behalf of the farm family members of the Virginia Farmers Union, I want to again tell you how glad we are to be represented here and to have the privilege of appearing before you. We hope that we have been helpful.

We hear a great deal about the cost of farm programs, but how many people realize that since the effort to establish a parity position for our farm families during the first administration of President Franklin D. Roosevelt in 1933, the Federal Government has collected in taxes from just one crop—tobacco—more than twice the dollars spent on all price-support programs for all crops through the Commodity Credit Corporation since that time. It is my belief that tobacco farmers will make a wise decision. Let us give them the opportunity to vote "Yes" or "No" on the proposal of acreage-poundage control. Prompt action in the passage of this bill is needed and most urgent.

I extracted that statement from the Congressional Record, a statement by the House Agriculture Committee, Mr. Cooley. I was amazed. I did not realize that myself until I read it.

I thank you for your attention.

Senator JORDAN. Thank you very much, Mr. Hall. That is a very fine statement. We appreciate it. I think I can say to you that there will be provisions made in this bill to take care of those problems, those areas. Your suggestions will certainly be given consideration. The reason we are holding the hearings is to get information such as you brought and that which we have received from other witnesses. I do not say that this bill is perfect at all. It has been put together by a good many people. We want suggestions to make this bill as good as possible.

Mr. HALL. I am sure of that.

We thank you.

Senator JORDAN. Senator Talmadge, any questions?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper, any questions?

Senator COOPER. No questions.

Senator JORDAN. Thank you very much again.

The next is Mr. Wayne Corpening, representing the Governor of North Carolina.

Will you give your full name and address to the reporter? You have a prepared statement?

Mr. CORPENING. Yes.

Senator JORDAN. You may proceed.

STATEMENT OF WAYNE CORPENING, SPECIAL ASSISTANT FOR FARM AFFAIRS TO THE GOVERNOR OF NORTH CAROLINA, RALEIGH, N.C.

Mr. CORPENING. Mr. Chairman and members of the subcommittee, I am Wayne Corpening, special assistant for farm affairs to the Governor of North Carolina, Dan K. Moore. I am located at Raleigh, N.C.

I would like to read a statement for Governor Moore, if I may.

Senator JORDAN. You may.

Mr. CORPENING (reading):

In North Carolina tobacco is our major money crop, and we are intensely interested in anything that affects the future of this great industry. We want to maintain the tobacco program on a sound basis to protect our farm economy and to keep Government costs to a minimum.

We are deeply concerned about the overproduction of tobacco that has occurred under our present acreage allotment program. This overproduction has forced drastic cuts in acreage allotments. I am told that the emphasis on ever-increasing production per acre has seriously affected the usability of our tobacco on some markets.

The existing Federal acreage allotment program is apparently inadequate as a means of controlling production and maintaining high quality.

Last week I recommended the North Carolina General Assembly give immediate consideration to this problem of overproduction and support changes needed to get supply in line with demand and to improve the quality and usability of our tobacco.

The legislation proposed by Senator Ervin and Senator Jordan, which is now before this committee, would: (1) Increase the acceptability and usability of our tobacco in both domestic and foreign markets alike, and (2) develop price supports in line with market demands.

This proposed acreage-poundage program is basically sound and should be enacted. I urge that this acreage-poundage bill be passed at the earliest possible date so that our tobacco farmers may vote on this program for 1965. The urgency of the tobacco situation demands it.

Senator JORDAN. Thank you very much, Mr. Corpening.

Senator Talmadge, any question?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper, any questions?

Senator COOPER. No questions.

Senator JORDAN. Give my regards to the Governor and thank him for this statement, and for the action that he has taken. Thank you very much again for appearing before us.

Mr. CORPENING. Thank you.

Senator JORDAN. Mr. Strickland, past president of the South Carolina Warehouse Association, is next. Please state your name and address for the record.

STATEMENT OF A. D. STRICKLAND, LORIS, S. C.

Mr. STRICKLAND. I am A. D. Strickland, Route 3, Loris, S.C. I am appearing as an individual farmer, not representing any group or organization.

Senator JORDAN. You may proceed as you wish.

Mr. STRICKLAND. I live in about the center of Old Horry County, S.C. which is the largest tobacco growing county in that State.

I have followed this program very closely. In fact, I was born and raised on a tobacco farm. I still farm tobacco. I also operate a tobacco auction sale warehouse.

I would like to go on record as approving this proposal of an acreage-poundage cut in tobacco.

I have looked it over very carefully, and it is one of the most, the fairest both to the individual farmer that I could think of in changing from an acreage to a poundage control basis, to an acreage and poundage control.

I would like to thank you for allowing me to appear before your committee.

Senator JORDAN. We appreciate your being here, Mr. Strickland. Would you want to comment, for my benefit especially, on how this is going to affect the small farmer? What I had in mind is this, that under our present acreage control system, as we keep taking cuts in acreage, the small farmer will be out of the picture in the long run, if we keep on doing that; is that correct?

Mr. STRICKLAND. Well, what I would like to happen now is to take care of that. Now everybody is in the race for poundage on a tobacco farm. The man who has just 2 or 3 acres, he has to fertilize to excess to make all of the poundage that he can on his tobacco in order to exist.

Senator JORDAN. There are a lot who do a great deal of fertilizing.

Mr. STRICKLAND. That is what they are doing now. They have to have some income off of it. I do not think that it will work any worse or be any greater handicap to the small farmer, as bad as it is now. He cannot exist now the way it is going. A good many of them have already sold or have rented their farms. They have changed their occupation already and more are doing it every year.

Senator JORDAN. Thank you very much.

Senator Talmadge.

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper.

Senator COOPER. No questions.

Senator JORDAN. Thank you very much for appearing, Mr. Strickland.

Mr. Seawell of the Leaf Tobacco Exporters Association. Will you please state your name and address for the record and whom you represent?

**STATEMENT OF MALCOLM B. SEAWELL, EXECUTIVE SECRETARY
AND GENERAL COUNSEL, TOBACCO ASSOCIATION OF THE
UNITED STATES & LEAF TOBACCO EXPORTERS ASSOCIATION,
RALEIGH, N.C.**

Mr. SEAWELL. My name is Malcolm B. Seawell. My address is 406 Raleigh Savings & Loan Building, Raleigh, N.C.

I am general counsel and executive secretary for Tobacco Association of the United States & Leaf Tobacco Exporters Association. I make my statement on behalf of Leaf Tobacco Exporters Association, which is an association of 75 American leaf companies which buy tobacco on the warehouse floor throughout the marketing areas,

Flue-cured, burley, and other types, and sell those tobaccos both domestically and to foreign customers.

Leaf Tobacco Exporters Association favors a change in the present control system for Flue-cured tobacco. We favor this change because of the increased production over the past number of years, which has resulted not alone in placing in the neighborhood of 1 billion pounds in loan stocks but has resulted in a deterioration in the quality of our Flue-cured tobaccos. The existence of such a large quantity of tobacco in loan stocks is a threat not only to exports but to the entire tobacco program.

The continued emphasis on greater production, at the cost of quality, has jeopardized our foreign markets. We cannot, under the present price structure, compete with foreign growers of Flue-cured tobacco, pricewise. We must at the present time depend upon quality to maintain our position in the world market.

It is our feeling that the acreage-poundage program offers the best hope for limiting production and for insuring a better quality leaf.

I must say to you in all fairness that we fear the proposed bill will create a situation where not all of the leaf produced will find its way to the marketplace. We feel that a great many growers may sell only the higher price tobaccos which they produce and will destroy the lower grades which are also essential to a balanced trade. In other words, the trade needs the whole stalk, from the lowest leaves to the tips. We feel that the present bill would be far more acceptable to the buyers and to the manufacturers if provision could be made to insure the sale of all grades of tobacco.

While there may be numerous problems naturally arising in switching from an acreage basis of control to an acreage-poundage basis of control, we realize that we are faced with a crisis in the tobacco industry. We feel that this is the time to act, and that any delay in changing the program may result in irreparable harm to the whole industry. For this reason, we urge action by the Congress so that the acreage-poundage program may be put into effect for the 1965 crop.

We feel that the proposed legislation follows the desire of the President that support-price programs be so administered that the little farmer will be protected. Under the present acreage system, the small farmer (and they constitute the greater percentage of the Flue-cured growers) is finding himself squeezed from the farm picture in the tobacco areas. We feel that the acreage-poundage system is far more equitable for the small farmer.

In conclusion, and while this is not a part of the matter being considered by you today, we wish to add that the President's concern for making American tobaccos more competitive in the world market should be a second step in the overall plan with respect to tobacco. If our tobacco is made more competitive in the world market, the time will certainly come, under the acreage-poundage system, when our farmers will be given greater acreage-poundage allotments to fill the needs in the world market.

Senator JORDAN. Thank you very much, Mr. Seawell. That is a fine statement. You represent a great many people who know what is wrong. You ought to know because of your occupation. And you ought to know what would be beneficial. I am sure that your organization has given a lot of study to this. I have heard about it to that effect.

Any questions, Senator Talmadge?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. No questions.

Senator JORDAN. Thank you again very much.

Mr. SEAWELL. Thank you.

Senator JORDAN. I thank you for that fine statement and for appearing before us today.

Mr. Mangum, we will be glad to hear from you at this time, sir. We are delighted to have you with us, Mr. Mangum. Mr. Mangum represents the North Carolina Farm Bureau, which is the largest farm organization in North Carolina and one of the good farm organizations in this country.

Please give your full name and address and whom you represent for the record, and then we will be glad to hear your testimony.

STATEMENT OF B. C. MANGUM, PRESIDENT, NORTH CAROLINA FARM BUREAU, ROUGEMONT, N.C.

Mr. MANGUM. Mr. Chairman and members of the committee, I am B. C. Mangum, a tobacco grower and president of the North Carolina Farm Bureau, and by the way, I might say, Senator Jordan, that I produce type 14 and type 11 and type 11-B. I produce some of all kinds, because I sell on different markets.

I also might have a suggestion on the way to eliminate this problem of surplus tobacco going into the loan stocks and that would be for every other year to start the marketing season on the northern end of the production area and then going south. I think that then we would have a pretty clear understanding on what the different types of tobacco are.

Senator JORDAN. May I ask you a question there at that point?

Mr. Mangum. Yes.

Senator JORDAN. Do I understand from that statement that maybe the reason that some types of tobacco are less plentiful in our surpluses is because those types are sold first?

Mr. MANGUM. Well, certainly, this is the major reason, because when we are producing a tremendous surplus of tobacco, and have too much, you know the barrel gets full before we get up to the northern end of the marketing area.

Senator JORDAN. I think that it has some bearing on this problem that faces this whole area. They may not know about it. They may not believe it. Certainly we want to be fair to Georgia in every respect, because they are an important producing segment of the tobacco industry.

Mr. MANGUM. Yes. I appreciate very much this opportunity to pass on to the committee the position of the North Carolina Farm Bureau. A year ago last November the tobacco growers of North Carolina begun to recognize or to realize that we were facing some problems in the tobacco industry, and as a result of that the voting delegates in annual meeting a year ago in November authorized us to set up some study committees to begin making a study of some of the problem areas in the tobacco industry. This they did. And these committees worked from last December, a year ago, until about last June, in several of the problem areas.

One of the main things it developed was a method of controlling the production of tobacco.

This committee then, as I say, worked 6 months on this problem and pointed to some areas that should have some work done in them.

Then following this, the tobacco situation began to look more serious all of the time. So we decided to go to the field—go out in all of the tobacco producing counties in the State and begin to hold some meetings, to try to get an understanding with the tobacco growers of the fact that we were facing some problems.

So this we did:

We held area meetings. We held meetings in each tobacco area producing Flue-cured tobacco. We even went so far as to hold meetings in townships—in some of the large tobacco-producing areas—trying to get an understanding that we did have some problems and that the No. 1 problem was surplus tobacco. So after holding these meetings—we held them in many other counties, too, at the county annual farm bureau meetings and, when we finished these meetings, we had a thorough understanding of the large percentage of the tobacco growers; just what the situation was. So, after that, we went into our State annual meeting last November. Of course the voting delegates attended this meeting representing the members from throughout the State—from all of the counties. They discussed thoroughly the problems that we were facing in the tobacco industry, recognizing that there were two things that had to be done:

No. 1 was that we had to deal with the present program; that is, the strictly poundage program. So we came up with a recommendation that acreage be reduced under the current program—at that time of 20 percent—to begin to try to deal with this surplus problem.

Also in the same meeting, recognizing that certainly this was not the total answer in solving the problem we were facing in the tobacco industry, we came up with a proposal in support of a poundage-acreage program. This poundage-acreage program that we recommend to the Secretary would proclaim under it a quota based on the pounds of tobacco that could be marketed for 1965. Then, after this quota was proclaimed, we recommended that some provisions be made in the law whereby the Secretary could allocate these pounds among the tobacco growers throughout the tobacco-growing area on an equitable basis.

So you can see that after these thorough studies were made, and after all these meetings, our people recognized that there were serious problems. And we were willing to face it by recommending a reduction in the allotment and, knowing that this reduction would not solve the problem, we went further to say that we recommend that we go in the direction of an acreage-poundage basis.

So this is the position of our organization. We recognize, and I think most of the folks that were involved in these discussions we had and these were, by the way, the tobacco growers—we recognized that if we went through this year—after the cut, and had a normal crop—that we would wind up the year in worse shape than we were in to begin with, and we recognized that this continued cut in the acreage certainly had to stop, because the small growers were getting put out of business.

So then, recognizing this, knowing that you could not keep cutting the acreage, we went to work and tried to make sure that we had a

further understanding that there had to be something done in 1965 in dealing with this problem.

So our position is for a poundage-acreage program for 1965 with distribution of the poundage among the tobacco growers on an equitable basis as much as possible. There may be some questions that come up, and I have heard them here today, and I have also heard the answers to some of those problems in that there would be provisions made in the bill that if there were inequities in the counties, among the townships and others, if there were inequities among the growers, that there would be some provisions to take care of this.

So this is the position of the North Carolina Farm Bureau, an organization of over 61,000 farm families.

Thank you.

Senator JORDAN. Mr. Mangum, I appreciate that fine statement you have made.

In your opinion, do you think that the farmers of North Carolina feel that way, where you held these meetings countywide?

Mr. MANGUM. Senator Jordan, that they pretty well understand this acreage-poundage law that is being proposed here? I think that they pretty well understand the acreage-poundage proposal; that is, that we are planning on making a change—hoping to make a change in the program going to the poundage-acreage basis. I doubt if a large percentage of them understand the specifics of the bill. Certainly that would be a responsibility that all of us have to make sure that they do understand what the proposals are before they vote in a special referendum.

Senator JORDAN. You did say, I believe, that you held these committee meetings all over the State—in all of the tobacco-producing counties—and that you found them largely in favor of the poundage-acreage control system?

Mr. MANGUM. That approach; yes.

Senator JORDAN. In some form or another.

Mr. MANGUM. That is right.

Senator JORDAN. Senator Talmadge was at the phone and I am sorry that he did not get to hear the early part of your statement. I wish you would say again, for Senator Talmadge's benefit, what you said about the market starting in the north instead of the south.

Mr. MANGUM. Senator Talmadge, I said this: That I was a producer of Flue-cured tobacco and I produced all kinds. However, I live in the Old Belt in North Carolina and, to prove what I said, I produce all types; that is, I sell tobacco on all of the different markets wherever I sell tobacco, and that is the type I have. I sell tobacco in Georgia and, when I do, it is type No. 14. And I also said that maybe one way to clear up this question of type 14 versus other types would be to do this; that is, it would be to open the markets on the northern end of the producing area first every other year and then start on the southern end every other year.

It is a question of too much tobacco. It is a tremendous surplus. And when this exists, then the barrel gets full before we get more than about two-thirds past the middle of the season.

Senator TALMADGE. Did I understand you to say that all of the tobacco that you sell is of the same type or of different varieties?

Mr. MANGUM. No; it is all the same kind. I grow it in the same fields but, when it is classified, it is classified according to where you sell it. If I sell tobacco in Georgia, it is type No. 14.

Senator TALMADGE. The same tobacco would be type No. 12 in North Carolina?

Mr. MANGUM. It would be type 11, starting at the northern end, and then type 11-B and then type 13 and then type 14. It is classified according to where you sell it.

Senator TALMADGE. Not by grade or quality?

Mr. MANGUM. No. H4F, C5L, regardless whether it is produced in the Old Belt, the Middle Belt, the Border Belt, or Georgia, Florida, or South Carolina.

Senator TALMADGE. The type is in accordance with the way you sell it—it is typed that way?

Mr. MANGUM. I do not remember exactly, but I am of the opinion that the reason that the typing was set up like it was was for the purpose of classifying the tobaccos in different areas. I do not know of any other reason that it should have been done different. They are the same varieties that we produce just the same as you do in Georgia. And if it is B-5F in Georgia, it is that as well in North Carolina. If I sell it at that in Georgia, it is type No. 14.

Senator Talmadge. I appreciate your making that statement again for my benefit.

Mr. MANGUM. Thank you, sir.

Senator JORDAN. Senator Cooper, any questions?

Senator COOPER. No questions.

Senator JORDAN. Thank you very much, Mr. Mangum. I appreciate your testimony.

Mr. Daniels of the Nash County Farm Bureau.

We are glad to have you with us today. I notice that Mr. Watson is with you, too. We are very glad to have you both here. You may proceed in your own way.

STATEMENT OF ELMER R. DANIELS, NASH COUNTY FARM BUREAU, SPRING HOPE, N.C.

Mr. DANIELS. Mr. Chairman, and members of the committee accompanying me here today are most of the members of our board of directors, all of whom are farmers from our county and with your permission I should like to have this body stand.

Senator JORDAN. Yes, indeed. We will be glad to have them stand and to recognize them.

Mr. DANIELS. Will the members from Nash County please stand? (The members arose.)

Mr. DANIELS. Mr. George B. Watson, to my right, is the chairman of our Farm Bureau Tobacco Advisory Committee, and Mr. Watson will present the statement to the committee.

Senator JORDAN. Mr. Daniels, first I would like to take this opportunity to say that we are delighted to have such a large delegation from Nash County with us today. I am sure that they are interested in the tobacco program as it affects the individuals because Nash County is one of our chief tobacco producing counties in the State. I would like very much for you to furnish a list of all of those so that I can include them in the record.

Mr. DANIELS. Yes, sir. They are attached to the statement.

Senator JORDAN. I am sure that you spent most of the night riding the train?

Mr. DANIELS. We are very delighted to be here, though.

Senator JORDAN. We are mighty glad to have you here. Do you have their names? If so, we will include them in this record.

Mr. DANIELS. Thank you. The list is attached to the statement. (The list of Nash County, N.C., delegation follows:)

LIST OF NASH COUNTY, N.C., DELEGATION TO SENATE SUBCOMMITTEE HEARING ON THE TOBACCO ACREAGE-POUNDAGE CONTROL BILL, FEBRUARY 9, 1965

1. Elmer R. Daniel, Route No. 1, Spring Hope.
2. Grady Pridgen, R.F.D., Rocky Mount.
3. T. E. Ricks, R.F.D. No. 2, Whitakers.
4. George B. Watson, R.F.D. No. 2, Whitakers.
5. Edwin Daniel, Route No. 2, Elm City.
6. D. T. May, Red Oak.
7. W. M. Kingsberry, Route No. 2, Whitakers.
8. Kinchen Battle, Route No. 2, Whitakers.
9. Norman Vaughan, Route No. 2, Rocky Mount.
10. Hubbard Batchelor, Nashville.
11. Millard F. Morgan, Jr., Bailey.
12. D. L. Cooper, Jr., Route No. 2, Elm City.
13. R. W. Bone, Route No. 3, Nashville.
14. Nead Evans, R.F.D., Nashville.
15. Percy Strickland, Route No. 1, Spring Hope.
16. Bart Strickland, Route No. 1, Spring Hope.
17. W. T. Williams, Jr., Middlesex.
18. W. Bernard Faulkner, Red Oak.
19. J. E. Harper, Castalia.
20. John T. Jones, Red Oak.
21. J. A. Brown, Route No. 3, Rocky Mount.
22. Roy Hardee (T.V. station WNCT), Greenville.
23. William W. Shaw, president, Peoples Bank & Trust Co., Rocky Mount.
24. Randolph Colston, R.F.D. No. 2, Nashville.
25. Ben Harrison, Rocky Mount.

STATEMENT OF GEORGE B. WATSON, NASH COUNTY FARM BUREAU, WHITAKERS, N.C.; ALSO REPRESENTING FARMERS WAREHOUSE AND THE NORTH CAROLINA SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS

Mr. WATSON. Senator Jordan and members of the subcommittee. I am George B. Watson, a farmer and a seed producer from Nash County, N.C.

I would like to impress upon the members of the subcommittee that neither I, nor any member of this group from Nash County, N.C., is here today by invitation. We are present as a result of our interest and deep concern for our tobacco program, and for no other reason.

With your permission, I shall offer testimonies from three separate organizations, of which I am a member in good standing. They are namely and in the following order:

1. The Nash County Farm Bureau board of directors;
2. The board of directors of the Farmers Warehouse of Rocky Mount, Inc.; and
3. The North Carolina Society of Farm Managers and Rural Appraisers.

I am testifying as chairman of the Tobacco Advisory Committee of the Nash County Farm Bureau board of directors.

For several years, our organization has recognized a possible need for a change in the present tobacco program and has been studying

to determine the best method of change. During the past 6 months, intense study has been made to this end.

We are convinced that the time has come when there is an immediate need for a different type program, one by which production can and would be controlled.

At the present time, Stabilization has some 954 million pounds of tobacco in inventory, of which 759 million has accumulated over a 3-year period. With this history, we can visualize an increase of 150 to 200 million pounds in inventory from the 1965 crop under the present program which encourages yields per acre with a corresponding quality that could be undesirable to both the domestic and export trade and a resulting higher Government cost for the program. Our goal is to bring supply in line with demand and at the same time offer a more desirable, usable tobacco to the trade.

We are in favor of the acreage-poundage bill in principle. We believe that if adopted, the farmer will attempt to produce a more acceptable type of tobacco that will ultimately bring him more money per pound at the market. It is our opinion that the farmers, individually, have for some time been giving serious thought to the tobacco program and see the need for a change. They have been waiting for leadership to this end. It is further our opinion that as soon as the farmer is advised of what his acreage and poundage would be under the new program that he will readily understand and favor the bill.

I would like to add that I have been in conference with representatives of several credit agencies and they have all told me individually that any financial arrangements they have made with farmers for the current crop year are flexible enough to engross any increased cost of production as the result of adoption of the tobacco bill.

In closing, we would again like to urge the immediate adoption of this bill and its enactment to include the 1965 growing season.

I am now speaking in behalf of the Farmers Warehouse, Rocky Mount, N.C. Our warehouse is owned by tobacco farmers. We have 5,000 shares of stock outstanding, representing over 300 stockholders, who must have had at least 1 acre of tobacco allotment for each share of stock purchased at the time the warehouse was incorporated. At a recent meeting of our board of directors, of which I am president, and Mr. John T. Coley, of Nash County, is chairman, we went on record as unanimously endorsing a change in the present tobacco program and asking for an acreage-poundage type program. A letter was sent advising Congressman Cooley, chairman of the House Agriculture Committee, of this action, and a copy of such is attached hereto.

I would like to testify in behalf of the North Carolina Society of Farm Managers & Rural Appraisers and as a director of this organization, which embraces 168 members throughout North Carolina and is devoted to the management of farms and the appraisal of farm properties.

At the organization's annual winter meeting in Raleigh on February 3, 1965, its membership unanimously endorsed the tobacco acreage-poundage control bill per se. A letter indicating this action has been sent to each member of North Carolina's congressional delegation and a copy is attached hereto.

(The letter and resolution referred to above are as follows:)

ROCKY MOUNT, N.C., February 8, 1965.

Hon. HAROLD D. COOLEY,
Chairman, Agriculture Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Board of Directors of Farmers Warehouse of Rocky Mount, Inc., being aware of the many problems facing the tobacco farmer and the whole structure of the tobacco industry, wishes to offer its endorsement to the recommendation of the Tobacco Advisory Committee that the tobacco program be put on an acreage-poundage basis for the year 1965.

The board has instructed me to inform you of its action and to urge you to lend your influence to the recommendation in formulating and facilitating the introduction and enactment of such necessary legislation.

Yours truly,

FARMERS WAREHOUSE OF ROCKY MOUNT, INC.,
JOHN T. COLEY, *Chairman, Board of Directors.*

NORTH CAROLINA SOCIETY OF FARM MANAGERS & RURAL APPRAISERS,
RALEIGH, N.C.

The following resolution was unanimously passed at the annual meeting of the North Carolina Society of Farm Managers and Rural Appraisers held in Raleigh, N.C., on February 3, 1965:

"Resolved, That the North Carolina Society of Farm Managers & Rural Appraisers seeks the support of the North Carolina Congressional delegation in Washington for a referendum granting farmers in the Flue-cured tobacco area an opportunity to vote on an acreage-poundage tobacco control program for 1965."

The North Carolina Society of Farm Managers & Rural Appraisers is an organization composed of 168 leading farm managers and rural appraisers from throughout the State. Many of the members of this society have actively participated in policy formulation during past years, and they believe getting the acreage-poundage bill passed for the 1965 crop would greatly enhance the future of the tobacco industry in North Carolina.

Senator JORDAN. Thank you.

Mr. Daniel, did you have anything further?

Mr. DANIEL. That completes our report, sir.

Senator JORDAN. Did you get any indication from Mr. Cooley when he was starting hearings on the House side?

Mr. WATSON. Yes, sir. I believe he said that he had had correspondence with the Department and that the hearings would start Thursday.

Senator JORDAN. Here in Washington or in North Carolina?

Mr. WATSON. In Washington at 10 o'clock on Thursday, and then he proposed, I think he and Mr. Abbitt agreed that perhaps there would be three hearings out in the field; one in Raleigh, N.C., one in Florence, and perhaps one in Tifton, Ga., or some other town in Georgia.

Senator JORDAN. Thank you very much. I appreciate you and your delegation being here. Are you going to ride the train back tonight?

Mr. WATSON. Yes, sir.

Mr. DANIEL. Yes, sir.

Senator JORDAN. I appreciate all of your delegation being here, too. Are there any questions?

Senator TALMADGE. No questions.

Senator COOPER. I want to say that these farmers who came here are to be commended for showing their interest by doing so.

Senator JORDAN. Yes, sir.

Next on our list is Mr. E. Y. Floyd.

(No response.)

Senator JORDAN. Our next is Mr. Marion Fowler.

(No response.)

Senator JORDAN. Next is Mr. S. T. Moore, Jr.

You may proceed as you wish, sir.

STATEMENT OF S. T. MOORE, JR., CHAIRMAN, FLUE-CURED TOBACCO COMMITTEE, VIRGINIA FARM BUREAU, SOUTH HILL, VA.

Mr. MOORE. Mr. Chairman and members of the subcommittee, my name is S. T. Moore, Jr. I live at South Hill and I obtain a very substantial part of my livelihood from the production and sale of Flue-cured tobacco. As chairman of the Virginia Farm Bureau Flue-Cured Tobacco Committee, I am authorized to speak for that organization today.

The Virginia Farm Bureau Federation has for the past 7 or 8 years been on record as advocating an acreage-poundage adjustment program as a partial solution to the many problems in the production and marketing of Flue-cured tobacco.

Although we support an acreage-poundage system in general we would like to advocate serious consideration of other legislative changes which will also help to make U.S. Flue-cured tobacco more competitive in the export market. Of course we would reserve the right to study and give our support to any specific recommendations based on its individual merit; specifically, we feel that an acreage-poundage system of control will help to accomplish the following:

(1) It will take the pressure off the tobacco grower to strive for higher and higher yields and give him an economic incentive to produce more usable tobacco. The proposal makes provisions for allowing the farmer to spread his production over an additional amount of acreage so that his only real incentive would be to produce a higher quality (or a more usable) tobacco.

(2) Most market observers conclude, and it surely makes sense, that by improving the quality of tobacco placed on the auction floor we will tend to retain and regain a larger share of the world market.

(3) A producer will be able to maintain a more reasonable balance between supply and demand and thereby have a more stable market situation from year to year and throughout each marketing season.

(4) Provide the producer with something of a crop insurance feature in that his individual allotted production will be increased following a year of low yields or crop failure on his farm.

A close study of the proposed bill, S. 821, reveals that certain areas of the Flue-cured belts would be penalized by getting a lower share of annual production quota because of the 1963 drought, since these areas were officially declared drought areas by the USDA. It is felt that poundage quota adjustments should be made to bring about a more equitable distribution. This can be accomplished by either of the following:

(1) Base county production averages on a 7-year (1957-63) instead of the proposed 5-year (1959-63) production figures. The longer the base period, the less effect one extremely bad year (areawise) will have; or

(2) By allowing counties in disaster areas to use either 1963 or 1964 production figures along with 1959-62 as a basis for a 5-year average.

Since the affected counties would be permanently penalized under the proposed bill, it is considered most important that the bill be changed in some way to reflect a more equitable share of the annual poundage quota in these counties.

We are very much in sympathy with the idea that 1965 is the year to make the provisions of S. 821 effective. However, we feel that the following should be carefully scrutinized:

- (1) That the program can be effectively and efficiently administered.
- (2) That discretionary powers under this bill be very limited.
- (3) That each area and individual producer get an equitable share of the annual production quota based on realistic historical production figures.

Senator JORDAN. Thank you, Mr. Moore, for that fine statement. I would like to say that I think along the lines you have pointed out about the disaster years. I think that can be incorporated in this bill without doing damage to the bill.

Mr. MOORE. I would think so.

Senator JORDAN. And I think it should be. I think it would be the intent of this committee to try to do that. There are provisions, as you know, now in the bill where if we have a bad year, it can be put over to strike an average. I think that we can handle this. This bill is introduced, as you know, to try to work out a bill to give consideration to all of these suggestions that have been made. Certainly a county or a part of a county should not be penalized forever that suffers a disaster in that one year. And that could happen.

Mr. MOORE. As I understand this suggested bill, if you penalize them in the beginning you would be penalizing them throughout the life of the bill.

Senator JORDAN. That is possible, and we certainly do not want to do that. Your suggestion is a very fine one and will be taken into consideration.

Any questions?

Senator TALMADGE. No questions.

Senator COOPER. What is the total membership of the Virginia Farm Bureau Federation?

Mr. MOORE. Senator Cooper, our membership is 21,000.

Senator COOPER. I will ask you to look at page 3 of your statement, point No. 2, where you state that discretionary powers under this bill should be very limited. Can you comment on that?

Mr. MOORE. Well, our main concern, Senator Cooper, was that we did not want to put a whole lot of load on maybe our State or county committees, maybe, to distribute the pounds from here to yonder and so forth. We would rather for it to be spelled out in the bill as much as possible.

Senator COOPER. You are talking about the percentages that would be available?

Mr. MOORE. For equalization.

Senator COOPER. For equalization and all of that?

Mr. MOORE. Yes.

Senator COOPER. Thank you.

Senator JORDAN. Thank you very much again, Mr. Moore. I appreciate your being with us and for your fine statement.
Mr. Elvington.

We are glad to have you here, Mr. Elvington. I believe that you are just representing yourself, are you not?

Mr. ELVINGTON. Yes, sir. I am from down in the hills.

Senator JORDAN. Mr. Elvington is a farmer from Nichols, S.C. I know exactly where it is. I have been there a lot of times.

STATEMENT OF P. L. ELVINGTON, NICHOLS, S.C.

Mr. ELVINGTON. Mr. Chairman and members of this subcommittee, I live in Marion County; the other just happens to be my post office address. I am P. L. Elvington.

In order to justify my statement I would like to go back just a little bit into the history of this tobacco program.

I do not think that you gentlemen have ever had a more loyal bunch to appear before you than this bunch of tobacco farmers here today. We have always gotten together and have solved our problems when they got to be bad enough, you might say.

Back in 1939 we were overproducing that year. We voted the programs out. In 1940 we got together and voted acreage controls. We have had acreage controls ever since.

To begin with, they control the production. Well, we needed something to control the price at that time so we got together and formed, I have been told, one of the biggest cooperatives in the world, the Tobacco Stabilization Cooperative with something over 670,000 members. I believe that is right.

Well, that gave us a stable price, but it looked like our production had gotten out of control. So the best that I can figure for this farm bill is that this will come as near to stabilizing our quality and our acreage than any other program that we have had yet.

The small farmer in my county is fast getting out of the tobacco business because of the loss of acreage. He is getting such low acreage because of these programs and if he does make \$1,500 or \$2,000 he has but 1 acre or one-half acre; he cannot make a livelihood for himself and his family. So we are forcing the small grower out of the tobacco program.

I would like to urge this committee to give this piece of legislation full steam ahead so that we may be able to get it into operation in 1965.

Senator JORDAN. Thank you very much. I would like to say to you that we are delighted to have you here.

Senator Johnston, your very distinguished and able Senator from South Carolina, would have been here today presiding as the chairman of the subcommittee, because he is its chairman, but as you know, he is ill.

Mr. ELVINGTON. That is right.

Senator JORDAN. We have a report that he is getting along fine.

Mr. ELVINGTON. When I got to Washington this morning we were very disturbed about him as we have been in South Carolina in recent weeks.

Senator JORDAN. He is a very able and dedicated member of this committee. And I can assure you that he is interested in your welfare and the welfare of all of the tobacco farmers.

Mr. ELVINGTON. He always has been.

I presume that you gentlemen got a telegram from the Mullins Tobacco Marketers yesterday. I had those boys send it. If any of you did not get a copy of the telegram I am sure that it was an oversight by the people who sent it because each member of the committee was supposed to have gotten a telegram expressing their feelings; that is, those of the Mullins Tobacco Marketers, which we claim in South Carolina is the biggest and the world's best.

Senator JORDAN. Thank you.

Any questions, Senator Talmadge?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. No questions.

Senator JORDAN. We thank you very much again. Mr. Lanier, we welcome you here today. We are always glad to see you. We will be glad to hear from you.

STATEMENT OF J. C. LANIER, GREENVILLE, N.C.

Mr. LANIER. Mr. Chairman and members of the subcommittee, my name is J. C. Lanier, and my home is in Pitt County which produces more Flue-cured tobacco than any other county. I have been growing tobacco for 40 years and at the present time my only occupation is farming. I am retired.

I am a member of the Tobacco Committee of the North Carolina State Grange which at its annual meeting last November endorsed a change in the tobacco program which is generally outlined in the bill under consideration.

I am testifying today as a tobacco grower and as a member of the Tobacco Committee of the North Carolina Grange.

A tobacco program was first instituted in 1934 under the provisions of the Kerr-Smith Act, and operated successfully for about 30 years. Under this program the tobacco-producing areas were rescued from poverty and financial disaster, and "Tobacco Road" was no longer an avenue of poverty, but a street leading through a prosperous country and a contented people.

I might say that I was in Washington with the Department of Agriculture in 1933 when this original proposal to start a program was brought up. And it was one of my jobs to go into all of the areas from Valdosta, Ga., to northern Virginia to explain this signup that we had in 1933. I worked very closely with this program and have ever since. It has been my lifework.

During most of those years the program operated without cost to the taxpayers and paid dividends to growers. In addition it provided a sound economy for 700,000 farm families whose income depended wholly or in part upon the proceeds of their tobacco crop.

The primary objective of this program was to balance production with consumption and thereby prevent the accumulation of burdensome surpluses which would decrease tobacco prices at the marketplace. To accomplish this objective the number of planted acres was strictly limited.

But this method of balancing production with demand has failed, and no one can deny that statement, and unless changes are made immediately, the entire program is in jeopardy. The fact that there

is now under Government loan more than a billion pounds of tobacco is a red flag indicating the danger that now hangs over our head.

It cannot be denied that under the present system surpluses continue to mount and will continue to mount unless changes are made in the program.

Also, it cannot be denied that under the present acreage control program the objectives cannot be accomplished. There must be changes made if the program is to continue, and in my judgment the only way to correct this situation is to limit the number of pounds that may be offered for sale on the warehouse floors.

Under the provisions of the bill now before this committee, which has been endorsed by an overwhelming majority of farmer organizations in all of the tobacco-producing areas, it is proposed that each farm be allotted a specific number of pounds that can be produced and sold in any year. It also proposes that the total number of pounds so allotted shall be less than the anticipated demand until the surpluses have been reduced. By limiting the pounds to approximately 100 million pounds per year less than the demand, the program will be paying off the installments by reducing the surplus from year to year until a proper balance has been achieved.

It works this way, gentlemen. If I owe a mortgage and a payment is due and I cannot make the payment I am liable to lose my property, but if I can make a payment, I can see my way through and given a certain number of years we can pay off this mortgage of a billion pounds of tobacco and get back to where the consumption is balanced by the demands.

The passage of this bill by the Congress will not in itself change the present program. It provides the machinery by which the tobacco growers may vote and express their preference as to whether they wish to continue under the present program or whether they are in favor of combining a poundage allotment in addition to an acreage allotment. That is the democratic way and follows the democratic processes. If the growers fail to approve of the changes by a majority vote, 50 percent, or by a two-thirds vote, whichever is finally included in the bill, there will be no change for 1965. And so what we are asking is that the Congress give us the opportunity to vote in a referendum as to whether the change will be made in the program.

Unless this bill is enacted into law and approved in a growers' referendum, an additional \$200 million of Government funds will be needed for this year and be plowed into the program in 1965.

Also, it is certain that unless the changes are made the surplus will continue to grow and compound the troubles now facing the tobacco industry. As I said before, the bill does not make any change in the tobacco program unless approved by the growers. If the proposal is endorsed by the growers it could well mean a renaissance in the program. It will bring about a balance between production and demand, and it will also bring about a distinct improvement in the quality of tobacco that comes to market.

Under the present program the grower is compelled as an economic fact to grow as much tobacco per acre as he can grow in order to exist. If the poundage-acreage program is adopted, the improvement in quality will enable us to retain and expand foreign markets for our tobacco and thereby increase farm income.

For the past 10 years we have failed to capture any increased markets for our product in other countries because the quality of our tobacco has deteriorated, because the whole program as now constituted makes the pressure on quantity rather than on quality. Under the poundage-acreage basis the pressure would be on raising the quality more so than the poundage.

And so we plead with this committee to report favorably on the bill now under consideration and thus give the tobacco growers the opportunity to get their own house in order and thereby attain the primary objective of the tobacco program which is to bring production in line with disappearance, at prices that will give the grower a fair return for his labor.

Senator JORDAN. Thank you very much, Mr. Lanier, for a very fine statement. We appreciate your being here and delivering it.

Senator Talmadge?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. Mr. Lanier, you testified that you thought that this bill would result in the reduction of the surplus.

Mr. LANIER. By limiting the number of pounds that can be sold, and limiting that number, that is bound to cut into the surplus, and over a period of years, in my judgment, of from 5 to 6 years, we will be back to a normal carryover which we always have had.

Senator COOPER. And you feel there is a possibility that the poundage for the individual farmer could then be increased?

Mr. LANIER. Certainly. For the last 25 years I have been executive secretary and general counsel of the Tobacco Association of the United States and the Leaf Tobacco Exporters Association and in that position, which I do not hold now, I have retired, I have been to most of the countries in the world in the interests of Flue-cured tobacco and every time they say, "Your quality is deteriorating and your price is going up." But under this quality control I am convinced—I know—as a tobacco grower that I am going to raise a better quality of tobacco if I know how many pounds I can sell. I am not going to try to go to 3,000 pounds per acre, as I have done. I am going to try to stress quality, and if we do that we can regain and recapture some of the foreign markets that we once had and are now losing.

Senator COOPER. Can you make a comment about what effect it might have on the market price?

Mr. LANIER. On the actual market price?

Senator COOPER. Yes.

Mr. LANIER. For the coming year?

Senator COOPER. For the ensuing years.

Mr. LANIER. I would say that we would have no chance of getting any increased average price for tobacco until we get rid of at least a portion of this surplus tobacco and that cannot be done by acreage controls. You have got to go to the poundage basis. There is no other way.

Senator COOPER. I appreciate your testimony. I have had the opportunity of talking with you many times in the past.

Mr. LANIER. Yes, sir.

Senator JORDAN. Thank you very much, Mr. Lanier. We appreciate your fine testimony.

Mr. LANIER. Thank you.

Senator JORDAN. I can say without any hesitation that you certainly have had enough years' experience in the tobacco business, both domestic and foreign, to know what you are talking about.

Our next witness is Mr. Cozart. You are from the fine city of Wilson, N.C. We appreciate your being here.

STATEMENT OF RYDNOR M. COZART, WILSON, N.C.

Mr. COZART. Senator Jordan and members of the subcommittee, my name is Rydnor M. Cozart from Wilson, N.C.

I came to this hearing as an individual because of my vital concern for this tobacco program. I am a farmer and a tobacco warehouseman.

In 1933 when the first program was put into effect I went through our tobacco area making talks and contacting the farmers to help put the original program over. I have seen it grow and develop and it has served a most useful purpose for the tobacco farmers throughout these many years, but I have also seen in recent years this program reach the point that it no longer served in the same manner the purpose for which it was originated. As a farmer and warehouseman I am concerned with the failures of this program as we now have it almost constantly.

In the first place, we know that because of many recent developments in varieties and cultural practices that we no longer are able to keep supply and demand in line under the present rules of our tobacco acreage system. And as a result we all know the surplus which has been built up which has been a drug on the market.

I for one know that the average farmer is far smarter than most people think. He plays the game and he plays it according to the rules. And without question the rules are that it is to his individual advantage to make the maximum amount of poundage, to concentrate on poundage, and quality has become a very minor consideration.

We took a 10-percent cut in 1964 and what happened? We made more pounds in 1964 than we produced in 1963. In my opinion, if we follow the same program in 1965 instead of the 55-percent cut we would be exceedingly lucky to get a 10-percent reduction, and if this is true we would only add to an already heavy surplus. On the quality side, due primarily to new and high producing varieties, due to many cultural practices, of which we know the quality of American tobacco has fast deteriorated. The figures speak for themselves in the export of American tobacco into foreign markets. And we know, too, that it is not just a dollar reason.

We know, too, that the only way that the American tobacco can compete is on the basis of quality. It cannot compete on the basis of price.

So it is only natural, only logical and absolutely essential that we come up with a program based on quality and not quantity. And I feel that such a program is offered in this new bill. And here for the first time it will be to the farmer's interest to produce quality. And I am absolutely convinced that the tobacco farmer can make a quality tobacco today as good or better than he ever made in the past.

Under this bill I feel and am convinced that the individual farmer with the research that is available to our land-grant colleges and

private sources can produce the quality of tobacco if the incentive is such for the individual producer that he can not only stop the trend of a reduced percentage of American tobacco in world trade, but that we may well reverse this trend.

I am thoroughly familiar with the provisions of this bill. I have read it through several times and have discussed it at length. I have had some part at the county level through farm bureau meetings in trying to come up with a bill to put the emphasis on quality and acreage-poundage to accomplish the same purpose that this bill hopes to do. I have made it a point to try to find out how people in my area feel about acreage-poundage. And in my area I can say almost without exception, based on my experience there, that our farm people are in favor of a change in this program to an acreage-poundage basis.

We well know that such a program will not be perfect, but we well know that it will raise many problems both in the administration of it and at the various levels.

We know that at the farm level in some details it will be difficult but I believe that the average farmer knows—and I say almost regardless of what area he is from; what position he holds as a producer—that the position he holds as a producer it is absolutely necessary that a change in this present program be made. And up to now I know that no one has come up with a program that offers the possibility that an acreage-poundage program offers.

The rules have got to be changed. It has to be to each individual farmer's advantage to do what is best for himself and at the same time by so doing he will serve the common goal of the entire tobacco industry.

Up to now, up to this point, the rules have been a little different. What is good for me as an individual farmer has been bad for the total program. And to me I think it is just that simple.

I will say that almost the only criticism I have heard of this particular bill in our area is that the spread has been too great. This may or may not be a valid criticism but I do feel from my own experience that if the spread is closer it will have a broader base of support among the average farmers, but I do feel, and the people that I am in touch with feel that regardless of any detail or any slight objection to this bill that the principle of acreage-poundage is the only sound basis for ourselves as farmers and for our agricultural area as a whole.

And I would like to urge this committee and the subcommittee and the Congress to make every possible effort to put this bill into effect in the year 1965.

Time is running out. I do not feel that we can go through another year under the present program without risking our entire tobacco program.

I appreciate this opportunity to be a witness before this subcommittee, Mr. Chairman. I did not come with any prepared talk. I came without any intention of being a witness, but I am thankful to you. I have tried to express not only my own thinking, but I believe it is fairly representative of my area and the people with whom I have been in contact.

And working in the warehouse throughout the auction season I know that the buying interests that I have been in contact with, both foreign and domestic, realize that our program has to be changed.

I thank you, sir.

Senator JORDAN. Thank you very much. Whether you had a prepared statement or not, you certainly made a very fine statement from the grower standpoint and from the warehouseman's standpoint. You certainly know a lot about the tobacco problem. You have been with it long enough so that you would be what people would call an expert witness.

Senator Cooper, do you have any questions?

Senator COOPER. No.

Senator JORDAN. Off the record.

(Discussion off the record.)

Senator JORDAN. Gentlemen, if I have overlooked any witnesses here today who want to testify, please let me know. Have I overlooked anybody whose name is on the list? I know some were not here that I had on the list. They will be here tomorrow, I understand.

That will conclude our hearing for today. We will meet in room 324. It has been called to my attention that we will not have as many people here tomorrow as there were today and we will, therefore, meet in the regular committee room, which will provide ample room. The committee room is just around the corner. It is room 324.

Thank you very much, every one of you for being here. You have been fine witnesses. We appreciate this very much.

(Whereupon, at 4:45 p.m. the hearing adjourned to reconvene at 10 a.m., Wednesday, February 10, 1965.)

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

WEDNESDAY, FEBRUARY 10, 1965

U.S. SENATE,
SUBCOMMITTEE ON AGRICULTURAL PRODUCTION,
MARKETING AND STABILIZATION OF PRICES OF THE
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The Subcommittee met, pursuant to recess, at 10:15 a.m. in room 318, Old Senate Office Building, Senator B. Everett Jordan presiding.

Present: Senators Jordan (presiding), Talmadge, and Cooper.

Also present: Representative Gettys.

Senator JORDAN. The committee will come to order.

I am sorry to advise that three witnesses were not able to get here this morning. They were grounded in the Raleigh-Durham Airport, and I think if they got off down there, they would be grounded up here, too.

Mr. Jim Graham, the commissioner of agriculture of North Carolina, Mr. E. Y. Floyd of the Plant Food Institute, and Mr. A. C. Lawrence, who was going to represent the North Carolina Grange. We will keep the record open until certainly early next week in order that statements can be filed by anybody who wanted to testify but could not get here on account of the weather or for other reasons. We, of course, will be glad to have their statements for the record.

(The statements are as follows:)

STATEMENT OF JAMES A. GRAHAM, STATE COMMISSIONER OF AGRICULTURE,
RALEIGH, N.C.

Mr. Chairman, and distinguished members of this committee, I am James A. Graham, commissioner of agriculture for North Carolina.

The North Carolina Department of Agriculture recognizes that the tobacco acreage control price support program is in trouble due to the 959 million pounds of tobacco held by the Flue-Cured Tobacco Cooperative Stabilization Corp.

When the 1964 season began it was evident that tobacco was being sold on a buyer's market. The Stabilization Corp. held 690 million pounds in storage, accumulated from seven previous crops.

As the season progressed the situation went from bad to worse and by the time sales were completed the Stabilization Corp. held on loan the 959 million pounds of surplus leaf.

Including the tobacco held by Stabilization, the total amount available from all sources for 1965 will amount to 3,743 million pounds or about 3 times yearly disappearance.

We in the North Carolina Department of Agriculture have made a study of the proposed legislation to change the tobacco program from an acreage to an acreage-poundage program for 1965. We feel this is a step in the right direction and that acreage-poundage control should be put into effect as soon as feasible and practical.

We support this bill—Senate bill No. 821.

Thank you.

STATEMENT OF E. Y. FLOYD, DIRECTOR, PLANT FOOD INSTITUTE OF NORTH CAROLINA AND VIRGINIA, RALEIGH, N.C.

Mr. Chairman, distinguished members of the Senate Agricultural Committee, and others, I am E. Y. Floyd, director of the Plant Food Institute of North Carolina and Virginia, Inc., Raleigh, N.C.

At our board of directors meeting on February 9, the directors voted unanimously in favor of Senate bill No. 821—the acreage-poundage proposal.

They realize this bill is a compromise of many thoughts and ideas to improve our critical tobacco situation, and when enacted into law, will give farmers an opportunity to vote on a program designed to help improve the status of the tobacco program in the interest of everyone concerned. This is what my directors want to see; that is, a bill that is as equitable as possible for all the growers and a bill that will direct the attention of all concerned, including growers, to place emphasis on usable tobacco that manufacturers want for domestic and export use. We believe it is wise to attract the attention of growers to usable tobacco, rather than on maximum yields per acre.

The directors of the Plant Food Institute fully realize that production must be kept in line with consumption, if price support continues, and without price support, in the opinion of the directors, the tobacco program will be doomed on any basis—whether on the present acreage program or on an acreage-poundage basis.

It is the sincere hope that when factual figures are determined for individual growers, county and States, that an acceptable program to the growers will be available, and one designed to bring production in line with consumption.

Even though at this particular time we are thinking in terms of an acreage-poundage program, we want to remind the Senate Agricultural Committee and Congress, that revisions are needed in the program which will make tobacco competitive on the world market. This was well said by the President of the United States in his farm message to Congress, and we certainly concur in his thinking.

I want to present a one-page fact sheet on tobacco, taken from the records of the Tobacco Division of AMS, U.S. Department of Agriculture. This shows the progress made in the production of tobacco since 1940, when the growers had a continuous program. If you will look back from 1940 to 1920 without a program, you will see the condition and plight of the tobacco farmers. We believe this one-page fact sheet gives as complete a history of tobacco, as can be given, from a statistical point of view.

I want to call particular attention to the disappearance and use of tobacco, both on the domestic and export markets. To me the story told on this fact sheet of records, concerning the history of the Flue-cured tobacco program as it now stands, is inadequate to keep production in line with consumption.

The directors of the Plant Food Institute stand ready to be as helpful as possible in bringing to the attention of farmers, who are their customers, a tobacco program that will assure stability and a continuing program for years to come.

Types 11-14, Flue-cured tobacco: Acreage, yield, price per pound, farm value, production, stocks, supply, and disappearance, 1919 to date

Year	Acreage harvested	Yield per acre	Price per pound	Farm value	Production	Carryover July 1	Total supply, July 1	Disappearance, year beginning July 1		
								Total	Exports	Domestic
	1,000 acres	Pounds	Cents	Million dollars	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1919	811.5	588	44.4	211.8	476.9	379.6	856.5	504.0		
1920	908.9	678	21.5	132.5	616.0	352.5	968.5	410.7		
1921	611.5	587	21.9	78.7	358.8	557.8	916.6	403.3		
1922	650.5	630	27.2	112.8	415.4	513.3	928.7	421.0		
1923	804.8	722	20.8	120.7	580.7	507.7	1,088.4	542.8	339.7	203.1
1924	754.5	550	21.6	94.5	437.3	545.6	982.9	456.5	254.0	202.5
1925	835.1	689	20.0	115.0	575.1	526.4	1,101.5	387.3	190.5	190.5
1926	800.7	699	24.9	139.7	560.1	523.7	1,083.8	544.9	338.8	206.1
1927	958.3	750	20.5	147.3	718.8	538.9	1,257.7	599.8	382.1	217.7
1928	1,119.9	660	17.3	128.1	739.1	637.9	1,397.0	708.2	476.5	231.7
1929	1,085.7	691	18.0	134.9	750.0	638.8	1,438.8	735.4	493.6	241.8
1930	1,144.2	756	12.0	103.4	865.2	703.4	1,568.6	774.1	496.7	277.4
1931	979.5	684	8.4	56.4	669.5	794.5	1,464.0	327.7	309.6	255.3
1932	617.5	605	11.6	43.4	373.7	867.0	1,240.7	564.9	379.2	267.0
1933	920.6	707	15.3	112.1	733.4	675.8	1,409.2	646.2	280.7	287.5
1934	678.7	822	27.2	151.9	557.8	763.0	1,320.8	568.2	280.7	321.9
1935	874.0	928	20.0	162.2	811.2	752.6	1,563.8	692.5	370.6	323.6
1936	864.5	790	22.2	151.6	682.9	871.3	1,554.2	671.0	347.4	379.5
1937	989.5	875	23.0	199.1	866.3	883.2	1,749.5	795.0	415.5	378.8
1938	909.1	866	22.2	174.6	786.8	954.5	1,741.3	795.0	416.2	378.8
1939	1,269.9	922	14.9	174.0	1,170.9	946.3	2,117.2	707.5	289.5	418.0
1940	741.0	1,025	16.4	124.3	759.9	1,409.7	2,169.6	576.7	155.6	421.1
1941	905	928	28.1	182.4	649.5	1,592.9	2,242.4	782.9	291.3	491.6
1942	792.7	1,024	38.4	311.7	811.7	1,459.5	2,271.2	892.4	289.1	603.3
1943	842.8	938	40.2	317.5	790.2	1,378.8	2,169.0	980.2	355.3	624.9
1944	1,017.3	1,069	42.4	461.5	1,087.3	1,188.8	2,276.1	1,149.8	453.9	695.9
1945	1,078.7	1,088	43.6	511.5	1,173.5	1,126.3	2,299.8	1,152.4	485.1	667.3
1946	1,186.8	1,137	48.3	653.4	1,352.0	1,147.4	2,499.4	1,212.6	553.4	659.2
1947	1,135	1,135	41.2	542.8	1,317.5	1,286.8	2,604.3	1,084.1	359.3	694.8
1948	883.8	1,233	49.6	541.0	1,089.6	1,550.2	2,639.8	1,101.6	382.1	719.5
1949	935.4	1,312	47.2	525.5	1,114.5	1,538.2	2,652.7	1,183.3	438.9	729.3
1950	958.4	1,312	54.7	688.3	1,257.3	1,484.5	2,741.8	1,184.3	427.7	777.2
1951	1,110.1	1,309	52.4	760.9	1,452.7	1,557.5	3,010.2	1,279.4	502.2	827.6
1952	1,111.3	1,229	50.3	686.7	1,365.3	1,730.8	3,096.1	1,244.2	416.6	877.7
1953	1,021.8	1,245	52.8	671.7	1,272.2	1,811.9	3,124.1	1,200.0	431.3	777.7
1954	1,042.2	1,261	52.7	692.4	1,314.4	1,915.1	3,229.5	1,173.0	428.8	744.2
1955	990.7	1,497	52.7	782.0	1,483.0	2,056.6	3,560.7	1,281.0	553.0	705.0
1956	875.2	1,625	51.5	732.5	1,422.5	2,238.0	3,681.0	1,170.0	465.0	

Types 11-14, Flue-cured tobacco: Acreage, yield, price per pound, farm value, production, stocks, supply, and disappearance, 1919 to date—
Continued

Year	Acreage harvested	Yield per acre	Price per pound	Farm value	Production	Carryover July 1	Total supply, July 1	Disappearance, year beginning July 1		
								Total	Exports	Domestic
	1,000 acres	Pounds	Cents	Million dollars	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1957	662.7	1,471	55.4	540.2	975.0	2,511.0	3,486.0	1,178.0	442.0	736.7
1958	639.4	1,691	58.2	628.7	1,081.0	2,308.0	3,389.0	1,179.0	443.0	736.0
1959	693.3	1,559	58.3	629.8	1,081.7	2,210.0	3,291.0	1,185.0	419.2	765.8
1960	691.8	1,808	60.4	755.9	1,250.6	2,106.0	3,356.7	1,266.5	474.6	791.9
1961	698.5	1,801	64.3	808.2	1,258.0	2,090.0	3,348.0	1,267.0	485.0	782.0
1962	729.8	1,930	60.1	846.1	1,408.0	2,081.0	3,489.0	1,208.0	432.0	776.0
1963	694.5	1,975	58.0	795.3	1,371.0	2,282.0	3,653.0	1,274.0	498.0	776.0
1964 ¹	627.6	2,203	58.1	807.2	1,382.0	2,379.0	3,761.0			

¹ Subject to revision.

STATEMENT OF A. C. LAWRENCE, CHAIRMAN, AGRICULTURAL POLICY COMMITTEE,
NORTH CAROLINA STATE GRANGE, APEX, N.C.

My name is A. C. Lawrence, Apex, N.C. I am a Flue-cured tobacco farmer, a member of the tobacco committee and chairman of the agricultural policy committee of the North Carolina State Grange, and appear here today for our organization in support of acreage-poundage control for Flue-cured tobacco.

We are well aware of the urgency of the situation in tobacco. Problems of the tobacco industry continue to become more complex and acute. Loss of foreign markets and mounting surpluses threaten the tobacco industry unless solutions can be found.

It is generally conceded that the main problem causing a decline in tobacco exports is poor quality. Quality is in turn associated with efforts of farmers to produce maximum poundage on allotted acreage. A shift to quality incentive through acreage-poundage controls, rather than the present maximum poundage per acre incentive, would help to solve a major concern of the tobacco industry. The tobacco control program has served the farmer well in stabilizing prices and tobacco farmers realize the absolute necessity of adjusting the program to meet changing conditions arising out of increased yields per acre and mounting stocks.

The North Carolina Grange favors a control program for Flue-cured tobacco based on acreage and poundage allotments. Such a program will remove the incentive to maximize pounds at the expense of quality, provide an effective means of limiting output to market needs and at the same time enable each grower to maintain his share of the market without engaging in a race with other growers to produce more pounds per acre.

Favoring a poundage quota control program for tobacco is nothing new for Grange people. The North Carolina Grange advocated such a program as far back as 1954. The late W. Kerr Scott, former master of the Grange in North Carolina, who always said his program was the Grange program, proposed such legislation soon after coming to the U.S. Senate in 1955. The National Grange concurs in this proposal.

We believe that the administrative details for the recommended change in the tobacco program can be worked out in a fair and equitable manner. It is our present concern that the Congress will take the necessary procedure to give this proposed legislation for tobacco a chance to become effective for the 1965 crop.

Senator JORDAN. Mr. Frank Snodgrass. Mr. Snodgrass, we are glad to have you, sir. Will you please state your full name and who you represent for the record please, sir?

STATEMENT OF FRANK B. SNODGRASS, VICE PRESIDENT AND
MANAGING DIRECTOR, BURLEY & DARK LEAF TOBACCO EX-
PORT ASSOCIATION, AND EXECUTIVE DIRECTOR, NATIONAL
CIGAR LEAF TOBACCO ASSOCIATION

Mr. SNODGRASS. I am Frank B. Snodgrass, vice president and managing director of the Burley & Dark Leaf Tobacco Export Association, Inc. My home address is Bowling Green, Ky. Our organization is a federated trade association composed of member tobacco grower associations representing the producers of burley, Kentucky-Tennessee dark Fire-cured, dark Air-cured, and Maryland types of tobacco. A representative of the Maryland Tobacco Co-operative will submit a statement to this committee, and therefore my statement will be presented on behalf of the following member associations:

Burley Tobacco Growers Cooperative Association, Lexington, Ky., which administers the price support on tobacco in the five-State burley producing area of Kentucky, Indiana, Ohio, West Virginia, and Missouri; the Burley Stabilization Corp. of Knoxville, Tenn., which administers the price supports for burley tobacco in Tennessee

and North Carolina; the Eastern Dark Fired Tobacco Growers Association of Springfield, Tenn.; and the Western Dark Fired Tobacco Growers Association of Murray, Ky.; the Stemming District Tobacco Association, Henderson, Ky.; the Virginia Burley Tobacco Growers Association of Abingdon, Va.

I also serve as executive director of the National Cigar Leaf Tobacco Association, Inc., whose membership include the following cigar tobacco grower associations representing all types of U.S.-produced cigar tobacco presently under the Government price-support and acreage control program:

Cigar Tobacco Cooperative, Miamisburg, Ohio; Conn-Mass Tobacco Cooperative, Holyoke, Mass.; Northern Wisconsin Co-Operative Tobacco Pool, Viroqua, Wis.; and the Wisconsin Cooperative Tobacco Growers Association, Edgerton, Wis.

This statement is presented on behalf of the aforementioned associations representing producers of burley tobacco from the eight-State tobacco producing belt of Kentucky, Tennessee, Virginia, North Carolina, Ohio, Indiana, Missouri, and West Virginia; dark Fire-cured and dark Air-cured types from Kentucky and Tennessee and cigar tobacco from Ohio, Wisconsin, Connecticut, and Massachusetts.

I wish to thank this committee for affording me the opportunity to appear here today. Those whom I represent are vitally interested in maintaining a sound and equitable tobacco program. They have ably represented and served the tobacco growers and have been the champions of the tobacco program since its inception. Over the years there have been needs for several changes in this program; however, the tobacco grower interests have always risen to meet the challenge and through a united effort they have approached the Congress to seek approval for such changes in the present program.

Sharp increases in the average yield per acre of tobacco have been recorded over the past 10 years, and there is little indication that this trend will not continue. The present acreage control program encourages the production of increased poundage per acre which in many cases has led to deterioration of quality of the leaf and has been responsible for building up burdensome surpluses which prevent us from keeping supply in balance with demand.

The producers of all kinds of tobacco presently under acreage control have through necessity been forced to reduce their acreage allotments over the years in an effort to keep their production in line with demand. With the increasing yields which have been experienced and the predictions of our research people as to the potential yields which have not yet been attained, it is evident that we are fighting a losing battle under our present program. It is most essential in these trying times, when tobacco and tobacco products are under constant attack from many quarters, that we attempt to place our house in order. I do not wish to mislead you by stating that the proposed legislations is the answer to all our problems and the only method by which we can attain this goal. However, it is definitely a step in the right direction.

I have been authorized to endorse in principle and urge the enactment of the proposed legislation, S. 821, presently under consideration by your committee. We wish to join with and support the tobacco leadership from the Flue-cured tobacco producing area who are

desperately in need of this legislation and favor the early passage of this bill.

We understand that the proposed legislation would apply only to Flue-cured tobacco, beginning with the 1965 crop. However, the language of the bill is sufficiently broad to include all other kinds of tobacco presently under acreage controls, when and if the Secretary of Agriculture in his discretion determines with respect to a particular kind of tobacco that acreage-poundage quotas, under the provisions of this bill, would result in a more effective marketing quota program for that kind of tobacco and same is approved by the growers voting in referendum.

In the event legislation is enacted to permit acreage-poundage controls for the 1965 crop of Flue-cured, the producers of the other kinds of tobacco will be given an opportunity to observe this type of control program before being faced with making the decision of whether such a program should be adopted by them. No doubt it will be necessary to make certain alterations in such a program in order to meet the needs peculiar to the various kinds of tobacco.

Not all kinds of tobacco are marketed in the same fashion or by the same method. Flue-cured tobacco is delivered for sale by the producer to an auction market as the leaves are ripened, harvested, cured, and prepared for market. This necessitates several deliveries to the auction place during the course of the Flue-cured marketing season. Unlike Flue-cured, burley tobacco is stalk harvested, air cured, stripped, and delivered to the auction place in crop lots, necessitating only a single trip to the market. In the case of cigar leaf, where auction sales are not used, most of the tobacco is either contracted for by the purchaser or bought at the barn door through negotiated sales.

When and if the need occurs for the other kinds of tobacco to consider a shift to an acreage-poundage control program, it will definitely be necessary for the growers to be fully informed of all provisions of such a program and the alternatives available at that time before they vote in referendum.

It is abundantly clear that we must eventually face up to our responsibilities of keeping a sound tobacco program which can be defended or risk the loss of the stabilizing effect of a price support and control program for tobacco which has meant so much to the economy of our tobacco producers.

Mr. Chairman, yesterday in Lexington, Ky., for the first time since 1940, burley tobacco was sold without price supports. The average sale that was received by the producers for the offering was \$42.54 against the season average of \$61.42. This dramatically and tragically demonstrates the economic value of price supports and controls to our growers.

We therefore endorse the enactment of this legislation with such amendments that become necessary.

I thank you, sir.

Senator JORDAN. Thank you very much, Mr. Snodgrass, for a fine report, and we appreciate your bringing it to us.

Senator Cooper?

Senator COOPER. I would just like to say that I welcome the testimony of Mr. Snodgrass as a man who knows tobacco problems, and also a fellow Kentuckian. I think all of us are aware of his fine work

as managing director of the Burley and Dark Leaf Tobacco Export Association. In that capacity, Mr. Snodgrass, your organization is interested primarily in promoting the export of burley and dark-leaf tobaccos.

Mr. SNODGRASS. Both the domestic and export; yes.

Senator COOPER. But in that capacity, I assume that you also see the problems connected with the export of Flue-cured tobacco.

Mr. SNODGRASS. Yes, sir.

Senator COOPER. Do you support the statements that have been made by other witnesses that the quality of Flue-cured, due to the different circumstances which they have detailed, has affected the export of Flue-cured tobacco?

Mr. SNODGRASS. I have so found that to be true, Senator Cooper. In my travels abroad, the foreign manufacturers have called that to my attention.

Senator COOPER. Referring now to what you have told the committee about the burley tobacco sold in Lexington yesterday without price supports, is that because of the failure to—

Mr. SNODGRASS. Failure to pass a supplemental agricultural appropriation for financing the Commodity Credit. They did not have funds.

I might add, Senator, that the dark Fire-cured sales in Tennessee have been suspended until such time as these funds are made available and this is causing a chaotic condition in that area because the tobacco is on the market and the farmers need the money.

Senator COOPER. Do you know how much tobacco sold without price supports?

Mr. SNODGRASS. Yesterday there was 288,884 pounds. It was a cleanup sale in Lexington, Ky.

Senator COOPER. Would you say that this reduction in price was affected also by the fact that it was a cleanup sale?

Mr. SNODGRASS. Yes. I have been so advised, that there was some inferior tobacco on the market. However, my informant told me that a grade T3F sold for \$20 below the loan support rate, which is a good grade of tips.

Senator COOPER. And the average price was \$42.54?

Mr. SNODGRASS. Against the season average of \$61.42.

Senator JORDAN. \$61.42, and what did the average sell at?

Mr. SNODGRASS. It averaged yesterday, Senator Jordan, \$42.54.

Senator JORDAN. \$42.54.

Senator COOPER. That does give some indication of what could happen without an effective price support program.

Mr. SNODGRASS. I think the leadership represented here today is well aware of that, sir. That is why we are coming before you, to ask that an opportunity be given to the growers to get their house in order.

Senator COOPER. Senator Talmadge, while you were out, Mr. Snodgrass testified that yesterday in Lexington, Ky., 288,000 pounds of burley tobacco was sold without price support, because of the failure so far to provide funds to the Commodity Credit Corporation. The average price was \$42.54 against the season's average of \$61.42.

Senator TALMADGE. Let me ask you this. I imagine that bill will be passed today or tomorrow at the latest. Why did they put it on the market yesterday? Why did they not wait and sell it when price support was in effect?

Mr. SNODGRASS. I went on to say, Senator Talmadge, that in the dark area sales were suspended—this was a cleanup sale for burley in Lexington, Ky.

Senator TALMADGE. Oh, yes.

Mr. SNODGRASS. And they were advised late the previous night that the funds would not be available. The farmers were at the marketplace, and they had to continue.

Senator TALMADGE. Was that nondescript varieties that had no price support?

Mr. SNODGRASS. No. There were some crop lots still there. People had been unable to sell it previously, but in the dark Fire-cured tobacco areas where the sales are about 50 percent completed, at this time they have suspended sales until such time as you act on—

Senator TALMADGE. Yes, but I think it is only a matter of hours away, and it is inconceivable to me that the farmer would sell his tobacco under those conditions when it is a certinty that the bill will be passed in a matter of hours.

Senator COOPER. I think it is sad, too. I think it is too bad they did not suspend the sale until Congress acted. But as it has happened, I think this differential in the price does give some indication of what could happen—

Senator TALMADGE. There is no doubt about that.

Senator COOPER (continuing). If the tobacco program broke down.

Senator TALMADGE. I think if the tobacco program broke down, it would be calamitous. I think everyone agrees to that.

Senator JORDAN. I presume you would recommend that your burley and dark tobacco people vote for the referendum coming up.

Mr. SNODGRASS. Very definitely. We are going to vote on February 25 in burley on the acreage controls alone. Of course we want to get a good vote on that. And then at such time—if this legislation is enacted and it is submitted to the growers—why I am sure that they will respond as they always have and vote favorably for a program that will be in their best interests.

Senator JORDAN. Senator Talmadge, did you have any questions to ask of Mr. Snodgrass?

Senator TALMADGE. No, sir.

Senator JORDAN. You have made a very fine witness and a very fine statement. We appreciate your being with us and bringing that statement, sir.

Mr. SNODGRASS. Thank you, sir.

Senator JORDAN. Mr. David Sloan, of the South Carolina Farm Bureau.

Mr. Sloan, we are glad to have you with us. Will you come right up here.

STATEMENT OF DAVID SLOAN, PRESIDENT, SOUTH CAROLINA FARM BUREAU, COLUMBIA, S.C.

Mr. SLOAN. I would like to bring some other gentlemen along to sit at the table.

Senator JORDAN. That will be perfectly all right. Mr. B. F. Williamson, of Darlington; Mr. E. J. Wiggins, of Marion, S.C.; and Mr. Frank Flowers, of Darlington.

I was just advised Congressman McMillan advised he was sorry he could not be here. He is tied up on something else, and I am not surprised that that happens at all. I am advised that Congressman Gettys from South Carolina is here. Will you come up and have a seat? We will be glad to hear from you, too, sir. I did not know you were here.

I said yesterday, and I would like to repeat it again this morning, that, for the benefit of you good South Carolinians, Senator Johnston is the chairman of this subcommittee. He would be presiding in my place were he here, but, as you know, he is sick and cannot be here, he is one of our valued members of Agriculture and doing a magnificent job, and he works at it all the time. I am delighted to hear that he is making progress very fast and will be back, I hope, very soon.

We are delighted to have all you gentlemen with us. I believe you are going to speak for your delegation.

Mr. SLOAN. Yes, sir.

Senator JORDAN. And you can call on them as you wish, sir.

Mr. SLOAN. Thank you, sir.

Senator Jordan and distinguished committee members, gentlemen, I apologize for this speaking voice this morning. We left South Carolina yesterday afternoon with a sunny 78°, and you see what is facing us outside, so I am just not used to this.

Senator JORDAN. You have not seen anything yet.

Mr. SLOAN. Gentlemen, I am president of the South Carolina Farm Bureau which is the largest farm organization in the State. We have more than 23,000 members, and in their behalf I appreciate this opportunity of presenting to you our position regarding Senate bill 821—this bill to amend, of course, the Agricultural Act of 1938. In other words, in our language we are talking about acreage-poundage quotas. As you see from the statement, I not only represent the South Carolina Farm Bureau but I represent Governor Russell of the great State of South Carolina, Clemson University, the South Carolina Department of Agriculture, and Mr. C. W. Goodman. Mr. Goodman is chairman of the Tobacco Committee of the South Carolina House of Representatives, and on the back of this statement you will see a concurrent resolution that is attached stating their position regarding the subject here this morning.

If I may, I would like to read some portions of this statement and with comments, perhaps, and then we will place the statement on file for the balance of it. I might say at the beginning that we have tried to the best of our ability to reach the rank and file of South Carolina tobacco farmers by all media, and we are attempting to speak for the grassroots feeling regarding this proposal within the State of South Carolina.

The present basic acreage control program for Flue-cured tobacco has been reasonably successful and its continuation in essentially its present form is strongly favored. A basic program of this type is necessary to maintain a tobacco industry that is economically strong in both the production and marketing aspects. We recognize that the present acreage control program for Flue-cured tobacco has had certain inadequacies in its historical operation. Among these inadequacies are the capitalization of the value of acreage allotments into land values, a loss of some export markets, some inefficient use of inputs in tobacco production as a result of restricting the use of only one input—

land, and some reduction in the quality of tobacco in certain areas and on some farms in the Flue-cured tobacco area as growers strive for highest production per acre.

Most important, however, are the troublesome high quantities of storage stocks that have been placed under Government loan under the present system of acreage controls. Some of the above adverse effects are the result of the failure on the part of the Secretary of Agriculture to carry out the specific provisions of the present law. We submit that any Flue-cured tobacco program must be predicated on relating production controls and support prices to market quality demands so as to discourage the production of tobacco less acceptable to the trade and to encourage the production of that tobacco more in demand by domestic and foreign manufacturers and buyers.

The quality of tobacco product desired by the consumer is reflected through the manufacturing and marketing system back to the tobacco producer. Differences in price-support levels between grades of Flue-cured tobacco should be continually studied and adjusted in order to reflect differences in demand for the various grades of tobacco. Price-support differentials between the less desirable and the more desirable tobacco should be great enough to encourage growers to continually adjust their production, harvesting, and marketing practices to meet changing market demands.

In order to continue to produce and successfully market Flue-cured tobacco, the American farmer must gear his production program to the demands of his customer. In this instance, we do not distinguish between the demands of the domestic and the export customer except to point out that their requirements can, and often, differ. The key to customer satisfaction is a combination of high quality and service on the one hand and a competitive selling price on the other.

We submit that the Flue-cured tobacco producers of the State of South Carolina have recognized this fact and we cite the following specific facts to illustrate the degree of success they have achieved.

We are attaching to this statement supporting documents, tables 1, 2, 3, and 4, relating to the production and sale of South Carolina Flue-cured tobacco during the 8-year period 1956 to 1963 inclusive. During this 8-year period, South Carolina farmers produced and sold 1,228 million pounds of Flue-cured tobacco at an average selling price of 60.57 cents per pound. The value at the farm level of this production amounted to \$743.8 million. The average selling price for South Carolina Flue-cured tobacco over this 8-year period averaged 5.92 cents per pound higher than the lowest average State price paid for tobacco produced and sold in the Flue-cured tobacco area of Florida, Georgia, South Carolina, North Carolina, and Virginia over the same period. This differential in average selling price between the lowest average State price and the average South Carolina price over the 8-year period, when applied to the 1,228 million pounds of South Carolina tobacco produced and sold, represents an added income of \$72.7 million for South Carolina farmers. It is our considered opinion that the higher price prevailed because of the high quality of our product and the fact that our customers were willing to buy it and pay accordingly.

We believe that the proposed acreage-poundage control program will be detrimental to the best long-run interests of the Flue-cured tobacco industry for the following reasons:

1. It allows for entirely too much discretion on the part of the Secretary of Agriculture in determining the amount of Flue-cured tobacco to be produced and marketed each year.

This is very dear to us.

2. It would disrupt the recently initiated loose-leaf sales of tobacco that have been so satisfactory in South Carolina.

3. It would discourage much of the current research and development program aimed at advancing knowledge and increasing efficiency in tobacco production.

4. It would discourage individual incentive—and we think this is a real important one—for the efficient combination of high-quality and high-yield production due to the proposed limitations on yields per acre based on a historical basis.

5. It would reward producers who have produced for high poundage—and let me emphasize high poundage—without regard to market acceptability; and penalize producers who have sacrificed high yields in order to produce tobacco acceptable to the trade.

In my particular case as a farmer this would hurt an awful lot. I have a lot of friends who farm who have tried to produce tobacco. They have not built up this high poundage, and this would hurt very much.

6. It would remove from the market a substantial poundage of certain grades of tobacco needed by manufacturers, thereby decreasing the utilization of domestic Flue-cured tobacco at home and abroad.

In my own particular instance certainly I will not market a lot of these grades. I would take them off the markets, and I would try to sell all the 70- and 75-cent tobacco I could.

7. It would disrupt orderly marketing.

I can cite you an example here. Normally as we market Flue-cured tobaccos, we take our lugs and primers and carry it off. Under this setup we would be afraid to set off anything except our best grade. We would have to leave it at home and wait until the end of the season to see if we could sell it.

8. It would increase the percentage of tobacco going under price-support loan by overloading the market with high price-supported grades.

Over the weekend I took my own sales for 1964, and I found out, Senator, that most of my tobacco that went under price support was in the 70-cent category. I had a very variegated grade that went in, but most all of my tobacco that went in under stabilization were these high priced tobaccos. Certainly I would be putting more of these on the market rather than less under this setup.

9. It would reduce the poundage of those tobaccos which appeal to the customer by the "across-the-board" restrictions. It would reduce this, and I would like to point that out.

Senator COOPER. May I ask what you mean by that?

Mr. SLOAN. No. 9, sir?

Senator COOPER. Yes.

Mr. SLOAN. We are told that there are many tobaccos which have appeal to the customer. I can use an example. Maybe it is not a good one. But our NIL's sold for about twice the price support this year so it would indicate to me, sir, that this tobacco had an appeal to the man who bought it if he would pay about twice the price support. There are other grades that I could mention.

We submit that the proposed legislation now pending before this committee should not be enacted into law until:

1. Such time as the Secretary shall have made a very careful analysis of the stabilization corporation inventories with a view to determining as accurately as possible the factors which caused certain types of tobacco produced over the past 4 years to move into stabilization corporation storage in such tremendous quantities.

2. Public hearings have been held in principal Flue-cured tobacco producing areas.

As evidence of the acceptability of certain types of Flue-cured tobacco in the marketplace, we invite your attention to the accumulation of Flue-cured tobacco inventories of the Flue-Cured Tobacco Cooperative Stabilization Corp. In the 4 years, 1961 to 1964, inclusive, approximately 5,395.4 million pounds of Flue-cured tobacco were produced and sold in areas growing types 11a and 11b, 12, 13, and 14. Of the total produced, approximately 869.5 million pounds or 16.12 percent of the total production ended up in stabilization corporation inventories.

An examination of the accumulation of these stocks by type provides some very interesting information. Data relating to the accumulation of stabilization corporation inventories of Flue-cured tobacco by type during this 4-year period are indicated in table 5, attached.

Of type 14 tobacco—that is the type that is grown mainly in Georgia—approximately 714.4 million pounds were produced. Of this total, only 20.6 million pounds or 2.9 percent moved into Stabilization Corporation stocks.

Senator TALMADGE. May I interrupt you there, Mr. Sloan?

Mr. SLOAN. Yes, sir.

Senator TALMADGE. You are making substantially the same argument to this committee that Mr. William Lanier did yesterday representing the Georgia Farm Bureau Federation, that the tobacco that we produce in Georgia finds its way readily into the marketplace, and very little of it goes into stabilization. The statistics for Georgia, I think, were in the neighborhood of 2 percent, and they were not only reported by Mr. Lanier but also verified by Under Secretary of Agriculture Mr. Murphy.

I believe it was the president of the North Carolina Farm Bureau or some farm organization in his testimony stated he grew only one type of tobacco, that he sold some on the Georgia market and perhaps some other markets also as it matured, and that when he sold in Georgia, it was indicated it was type 14, but when he sold somewhere else, it might be type 11.

Could I have your comment on that? I had always thought that type 14 was the type tobacco that we grew in Georgia, a particular category, a particular grade, a particular classification. But his testimony was to the contrary. He seems to think that this type indicates the sales point and not the quality or the grade. Would you comment on that?

Mr. SLOAN. Senator, we ourselves do not put the type on it, and we do sell some tobacco in Georgia, and after it crosses the line, it does lose some of the identity.

But to answer your question more or less in an indirect manner, I would say that the best judge of this is the tobacco companies that buy this tobacco.

Senator TALMADGE. In other words, you think if they buy it, that indicates the quality.

Mr. SLOAN. That is my thinking, sir.

Senator TALMADGE. Do you produce the same type in South Carolina? I think the testimony was yesterday in Georgia we produce primarily a hix variety.

Mr. SLOAN. We produce a lot of hix tobacco in South Carolina, not as much as we would like to, but we have tried to steer away from some of these high producing varieties the best we could where disease and other factors are involved.

I have heard—in defense of your statement, sir—that part of this 2.9 percent was North and South Carolina tobacco.

Senator TALMADGE. Of course that is what Mr. Lanier testified yesterday. Of course the first market is Florida, as you know, and then Georgia. It travels more or less with the weather and maturity season. It depends on when the tobacco markets are open. Of course if someone has an early variety in South Carolina and the Georgia markets are open and the South Carolina markets are not open, he would want some money in a hurry. I know that is what I like to do when I harvest a farm crop. I want to sell it as fast as I can and try to convert it to cash. So he would bring it across the border and sell it.

I presume that is a common occurrence throughout the tobacco areas, is it not?

Mr. SLOAN. Yes, sir.

Senator TALMADGE. There is no prohibition against a Virginia farmer selling it in North Carolina, or a North Carolina farmer selling it in South Carolina, or a South Carolina farmer selling it in Georgia, or a Georgia farmer selling it in Florida, is that correct?

Mr. SLOAN. That is right, and we hope we can keep it that way, sir.

Senator TALMADGE. Well, I think we would have to under the interstate commerce provisions of the Constitution. As I understand it, I do not think you could set up a barrier against the free flow of commerce from one State to the other, and I certainly would not favor setting up such a barrier. But do you think there is any merit in the argument of the gentleman from North Carolina that this particular type is all illusory and depends purely on where you sell the tobacco?

Mr. SLOAN. Well, sir, I am from South Carolina, and I am defending our position, and I guess if I were a North Carolinian I would be doing the same, and I am a native.

Senator JORDAN. May I interrupt you? Mr. Turner is here from the Department of Agriculture. Senator Talmadge, do you have any objection to letting Mr. Turner speak to this?

Claude, could you enlighten us a little bit on this thing. There seems to be a little bit of a difference on this thing.

Mr. CLAUDE G. TURNER (Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture). Mr. Chairman, I have with me Howard Rooney an attorney with the Department of Agriculture. Part of this question involves a legal problem, and I would like Howard Rooney to respond to this question.

Senator JORDAN. Anybody who can give us some information on that.

Mr. HOWARD ROONEY (Office of the General Counsel, U.S. Department of Agriculture). You are talking about type?

Senator JORDAN. It was stated by one of the witnesses that he grew tobacco in North Carolina and he sold it in Georgia and he thought it was bought as type 14 down there.

Senator TALMADGE. He says if he sells it in North Carolina, as I recall his testimony, it would be one type, whereas if he sells it in Georgia, it would be a different type even though it is the same tobacco. I was of the opinion that the type referred to a particular grade or classification or kind. It determined something about the tobacco, not its sales point.

Senator JORDAN. Stand up and give your name.

Senator TALMADGE. First let me ask you this. What are your duties with the Department?

Mr. ROONEY. I am a lawyer with the Office of General Counsel.

Senator TALMADGE. Are you an expert in the field of classification types and marketing of tobacco?

Mr. ROONEY. Well, I was interested in the *Georgia* case, the *Type 14* case that is now pending in the Fifth Circuit.

Senator TALMADGE. You are acting as counsel for the Department of Agriculture?

Mr. ROONEY. Yes.

Senator TALMADGE. And contrary to the interests of the State of Georgia in that suit or whoever filed it.

Mr. ROONEY. No.

Senator TALMADGE. Your interest was adverse to the people who filed the litigation.

Mr. ROONEY. That is right. I was defending the Secretary of Agriculture.

Senator TALMADGE. You hope you win the case.

Mr. ROONEY. Yes, I do, Senator.

Senator TALMADGE. I can understand that viewpoint. I was once a lawyer also. I wanted to find out your qualifications to testify on classifications, grades, and types of tobacco. We will admit your qualifications as a lawyer.

Mr. ROONEY. Thank you, sir. Did you want me to give my name for the record now?

Senator JORDAN. Yes, give your name for the record.

Mr. ROONEY. My name is Howard Rooney. I am an attorney with the Department of Agriculture.

The act that first brought into being this question of types of tobacco was the act of 1929, I believe. At that time there were no regulatory controls on the production or marketing of tobacco, and the purpose of the legislation was merely to gather some statistics of the marketings of tobacco, and the warehousemen under that act were required to report their operations and their sales, and the act then provided that the tobacco be reported by type. After hearings that were held, the regulations were issued. Basically the types were defined as tobacco grown principally in certain areas which were well known to the trade, Senator. I do not remember just the name, but there was the old belt and the new belt and the Georgia-Florida belt, and eventually there were four belts that were well recognized in the trade at that time.

The regulations and the hearings bring out that the warehouseman, when he is operating in an area that is described in the definition as an area where a type of tobacco is principally grown—will report

tobacco having the same general characteristics and appearance as tobacco grown in the area as being the type grown generally in that area.

Senator TALMADGE. Your testimony is then that it relates to type and characteristics in the area where produced and not in the area where sold.

Mr. ROONEY. I am saying though that the definition is such that if you are selling in an area and it has the same characteristics, that then it is typed in that fashion, because that was the purpose, so the warehouseman would not have to try to run down and see where his tobacco came from in reporting by type. Then when the Agricultural Adjustment Act of 1938 was passed, which is involved in this case, in defining "tobacco" it said, "Flue-cured would be types 11, 12, 13, 14; burley would be type 31," and, you know there is a long list of them. So this is how this comes about.

We think it is perfectly proper to type tobacco grown in one area as different types if it bears the same characteristics as the tobacco generally grown in the area where it is sold.

Senator JORDAN. In other words, under that formula or whatever you want to call it, if North Carolina tobacco or South Carolina tobacco or Florida tobacco were moved to Georgia and sold on that warehouse floor and if it were generally the same type and appearance—

Mr. ROONEY. Same general characteristics.

Senator JORDAN. It would be typed as that tobacco.

Mr. ROONEY. That is right. And I might say in the *Blue Tag* case—as you know, Senator, that came up from Georgia—the Supreme Court sustained that interpretation of the act.

Senator TALMADGE. Where is that case now, Mr. Rooney?

Mr. ROONEY. The *Blue Tag* case is finished. That was several years ago.

Senator TALMADGE. There is another case, I believe.

Mr. ROONEY. A recent case is now pending. It has been argued and it is under consideration by the Fifth Circuit.

Senator TALMADGE. I believe the Georgia farmers won it in the lower court, and it is now in appeal before the Fifth Circuit.

Mr. ROONEY. That is correct.

Senator TALMADGE. The lawyer who handled that case will be before the committee to testify, Mr. Homer Durden.

Senator COOPER. Then would you say tobacco is classified really according to its physical characteristics?

Mr. ROONEY. I would say so, Senator. I might say that when you grade tobacco, type does not have anything to do with it. It is the same grade for all types of Flue-cured tobacco.

Senator JORDAN. I might ask you another question if you could answer this: Is the tobacco in the Commodity Credit Corporation stock now classified by type? It is classified by type?

Mr. L. T. WEEKS (Flue-Cured Tobacco Cooperative Stabilization Corp.). Yes, it is classified and stored by types, and as to determination of type, it depends where it is sold.

Senator JORDAN. Determination of the type depends on where it is sold?

Mr. WEEKS. Right, regardless of where it is grown.

Senator JORDAN. In other words, the testimony yesterday, if you have North Carolina tobacco and it is sold in Georgia, it is type 14.

Mr. WEEKS. That is right and it is packed as type 14.

Senator JORDAN. That point is right clear because you do loan the money on this tobacco.

Mr. WEEKS. Yes.

Senator JORDAN. Thank you.

Any further questions, Senator Talmadge?

Senator TALMADGE. No.

Senator JORDAN. You may proceed, sir.

Mr. SLOAN. Senator, I might add he answered my question real well because he said that the trade has learned to know this tobacco by areas from which it comes, so if they buy by areas, he has well answered my question, sir.

Senator JORDAN. To your satisfaction.

Mr. SLOAN. Yes, sir, very much so.

Of type 13 tobacco——

Senator JORDAN. I just want to ask you a question for information. Would you be willing to have the South Carolina market to be the last one open? You see, the old belt is the last one open. They get a lick at Georgia and then South Carolina and then it moves on up into North Carolina and into Virginia.

Mr. SLOAN. If I may, I have a gentleman here I would like to answer this for me.

Senator TALMADGE. It would be difficult to get the sun to change its transit in vernal equinox, would it not Mr. Sloan?

Mr. SLOAN. It would, sir.

I would like to get Mr. B. F. Williamson from Darlington to answer this if he would.

STATEMENT OF B. F. WILLIAMSON, DARLINGTON, S.C.

Mr. WILLIAMSON. I think Senator Talmadge has answered it, sir. Our tobacco is ready first, and it is logical that it sell first. Does that answer it?

Senator JORDAN. Yes, to some extent of course it does, but there has been some very strong indication that the buyers only want so many pounds of tobacco.

Mr. WILLIAMSON. Yes.

Senator JORDAN. They buy in Florida what is produced in Florida, which is a small amount of tobacco, very good tobacco. Then they come into Georgia and buy that. Of course your testimony here is a little bit vague about the authority the Secretary of Agriculture has got because he has the right that it all be sold loose leaf. He did give them 5 days over the entire market, as you know.

Mr. SLOAN. Did I testify to that, sir?

Senator JORDAN. You said he had too much authority and your tobacco is sold loose leaf in Georgia and South Carolina.

Mr. SLOAN. Yes, sir, but I said too much discretion as far as this acreage-poundage is concerned.

Senator JORDAN. He has much discretion now under the old bill. The thing that has been said is there are only so many pounds of tobacco that the customers are going to buy.

Mr. SLOAN. Yes, sir.

Senator JORDAN. There is right much evidence to the fact when they get all they want, the Commodity Credit takes the rest of it. They go and pick out what they want of it.

Mr. WILLIAMSON. I would like to comment on that if I may, sir.

Senator JORDAN. Sure you may.

Mr. WILLIAMSON. In the first place I have great admiration for the smartness of the tobacco companies. I think they are really keen operators. I believe that the tobacco companies buy where they can get the best bargains, where they can get the tobacco that suits them the best. I would expect people that smart to do it. I think that they have excellent tobacco in the old belt and in those areas where they have had heavy deliveries to Stabilization, but it just happens not to be the kind that they want, and the companies are buying the kind that they want, and they are buying it where there is the thinner tobacco in the warmer climates generally.

Then I think that the argument that "they get the barrel full" is a real nice phrase. It is cleverly said, but I do not believe that barrel holds water.

This year in eastern Carolina—which sells before the middle belt and old belt—a larger percentage went in, and there have been years that a larger percentage went in in South Carolina and in Georgia. There have been exceptional years, but if the right kind of tobacco is in there, why the companies do not buy it.

That is the answer that seems logical to me.

Senator JORDAN. All right.

Mr. SLOAN. Of type 13 tobacco—which we grow mainly in South Carolina—approximately 1,269.7 million pounds were produced. Of this total, 10.5 percent or 133.6 million pounds moved into Stabilization Corp. stocks.

Of type 12 tobacco, approximately 1,618.8 million pounds were produced and of this total, 17.6 percent or approximately 285.5 million pounds moved into Stabilization Corp. stocks.

Of type 11b tobacco, approximately 660.5 million pounds were produced, and of this total, 18 percent or 118.7 million pounds moved into Stabilization Corp. stocks.

Of type 11a tobacco, approximately 1,132 million pounds were produced, and of this total, 27.5 percent or 311.1 million pounds moved into Stabilization Corp. stocks.

It is significant to note that of the total Stabilization Corp. receipts during this 4-year period, 82 percent were from type 11a, 11b, and 12 areas that produced and sold 63 percent of the total Flue-cured tobacco while only 18 percent of the storage receipts came from type 13 and 14 areas that produced and sold 37 percent of the total production and sales.

We recognize that the tremendous and steadily rising accumulation of Flue-cured tobacco held in Stabilization Corp. stocks presents a very serious problem and that appropriate corrective action is clearly necessary. We submit, however, that the proposed acreage-poundage restriction will not correct this problem but, on the contrary, it may very well introduce some very serious new problems.

With a minimum of regimentation necessary to make the tobacco program workable, we propose keeping the present acreage control program basically as it now exists with certain minor changes.

The production of Flue-cured tobacco acceptable to the trade which possesses a maximum of grain must be made a profitable proposition for growers. It is recognized that production of ripe, mature, and grainy tobacco requires greater care and higher production

cost than that of unripe or "slick" tobacco. A greater percentage of ripe mature tobacco is purchased at the marketplace and more of the undesirable tobacco goes under price support loans. It is for the good of growers and the tobacco industry that there be a greater incentive to produce the desirable tobacco and more of a discouragement to produce the undesirable tobacco than exists under the present price support structure.

As an incentive for the production of high quality type tobacco, it is recommended that the price structure be changed to adjust the price of tobacco which possesses those certain quality characteristics desired by the market. The price structure must be changed to discourage the production of offtype undesirable quality tobacco with low usability.

Senator TALMADGE. Let me ask you a question there if I may, Mr. Sloan.

Mr. SLOAN. Yes, sir.

Senator TALMADGE. Many of us, of course, have urged the Department of Agriculture to try to discourage the production of the poor qualities of tobacco which have become inferior by a grading system that would drastically reduce the price supports and thereby discourage the type of production of this tobacco. The Department has made some effort in that direction. Mr. Murphy, the Under Secretary of Agriculture, was before the committee yesterday, and I asked him specifically why this problem could not be handled in that specific manner. He stated substantially that it would be impossible to do so. Now, I take it you produce tobacco, do you not?

Mr. SLOAN. Yes, sir; I do.

Senator TALMADGE. Do you think a system of grading could be devised whereby there would be no price support or very low price support for these tobaccos that are inferior with a step-up on the quality as you went to high price supports for the best quality tobacco? Do you think it is possible to devise that with all the wisdom possessed by the Department of Agriculture?

Mr. SLOAN. Sir, to start with, we have tried to refrain from using quality in this statement as much as possible, because I do not know what quality is anymore, and we have used largely market acceptability as the terminology to describe this type of tobacco.

Senator TALMADGE. That would amount to substantially the same thing, I presume.

Mr. SLOAN. Yes, sir. I think that the changes that I said earlier——

Senator TALMADGE. What you want to do is tie the supports then to the market acceptability and the prices these various grades bring.

Mr. SLOAN. That is correct, sir.

Senator TALMADGE. Do you know of any reason why that could not be done by some system of classification and grades? That has been my position. I think it is the position of a substantial segment of the farmers of Georgia who produce tobacco.

Mr. SLOAN. I believe these other gentlemen with me might answer that as they come along, too, but that is my feeling, sir.

Senator TALMADGE. That is the thrust of your testimony there, I take it.

Senator JORDAN. Have you all arrived at any method that could be used to do that equitably to the farmers?

Mr. SLOAN. As far as the grade basis, sir?

Senator JORDAN. Yes.

Mr. SLOAN. No, sir; but I commented earlier that the changes that were made in the grades a year or two back have certainly helped to a large degree. And we have recommended a constant revision.

Senator JORDAN. It has helped put a whole lot more in the Stabilization Corp.

Mr. SLOAN. It started making farmers do a better job in our area, and that is all I can speak for.

Senator JORDAN. With pounds.

Mr. SLOAN. No, sir.

Senator JORDAN. The market shows it is there. It might not come out of your territory——

Mr. SLOAN. No, sir.

Senator JORDAN. But they are there.

Mr. SLOAN. Yes, sir.

Senator JORDAN. Nearly 1 billion pounds of it, so it is——

Mr. SLOAN. Mr. Williamson.

Mr. WILLIAMSON. We agree, sir, that too much tobacco is the big thing, but we also feel that you can reduce production under the present system. It just has not been done. The law has not been applied as strictly as it is written. We feel that it can be reduced and we feel that in 1963, with the revision of grades, the revision of grades and price supports was a good step in the right direction and did a lot of good but somehow it sort of bogged down in 1964.

But further along in our statement we have something to put the kind of emphasis on the kind of tobacco they want.

Mr. SLOAN. On page 7 I believe we point that out.

Senator COOPER. I would like to ask this question. You are opposing this program, and you are submitting an alternative to the program. You have several objectives or several purposes in your alternatives, but you recommend that "the price structure be changed for certain characteristics desired by the market. Price structure must be changed to discourage the production of off-type undesirable type tobacco with low usability."

Is that the main point of the alternatives that you offer?

Mr. SLOAN. That is one point, sir.

Senator COOPER. That is one point, but it is a very important one.

Mr. SLOAN. Yes, sir; that is one as far as we are concerned.

Senator COOPER. How would you do it? That is what I would like to know. How would you accomplish this purpose? This is one of the main purposes of your alternatives. You should tell us how you propose to do it.

Mr. WILLIAMSON. It is to put the higher price support on the tobacco with the most market usability and the lower price support on the others. That is it rather oversimplified.

Now in 1963 they put on the "S" grades to discourage the production of slick tobacco, Senator, and I think it did discourage it, but somehow in 1964, I do not think the thing was applied. I think maybe too much pressure was put on the grading service to where it yielded some. I think grading service has done an excellent job, but I think that we need farmer help in this. We need an educational program in as well as some good study and basic economics in it.

Senator COOPER. The differing price support levels, though, would have to be announced in advance for each grade.

Mr. WILLIAMSON. Yes.

Senator COOPER. Would you not believe that from year to year, or at least over a period of years, there would have to be variations made in the various price levels?

Mr. SLOAN. That is the recommendation we have in here, sir.

Senator COOPER. I believe Under Secretary Murphy testified yesterday that even though they had lowered price supports for several grades, and increased it for others to maintain the average support level, the market price was higher in many instances than the price supports fixed for these lower grades and therefore the adjustment had no effect at all in discouraging production of these grades. What would you say to that?

Mr. SLOAN. Sir, I sold some tobacco earlier this year that brought prices above the Government support price. I sold other tobaccos that the Government had to take into loan. Let us say the bid was 72 cents, and the company bid 72 cents, and the price support was 72 cents. So we are getting down to a penny or two there to buy that when in other cases there is a tremendous spread between these.

So, as I say, I do not know what quality is anymore. All I can say is this is what the market demands.

We might say that we are growing tobacco now, old-type tobacco, for filter cigarettes. When I was a boy, the companies wanted one thing. I got a little older, they wanted something else. Now they want something else. So we have got to have a constant revision of what the market wants.

Senator JORDAN. In fact, there is one other thing that enters into this. You all know this. Our tobacco now is on the verge of pricing itself out of the world market. There is no question about that. It is 17½ cents a pound. It is a fixed price tariff on American tobacco in the European area. Well, now, that 17½ cents added on to the other Rhodesian tobaccos is making an awfully high priced tobacco. We are going to have to furnish them an awfully good tobacco if they are going to pay 17½ cents a pound above an awfully good tobacco raised in Rhodesia.

I think any tobacco exporter and buyer of foreign tobaccos will tell you that they have constantly improved the quality of their tobacco in those foreign countries. We have been smart enough to send our experts over there to show them how to do it, you see. We sent them to Canada and taught them how to plant and how to cure. Now they are slowly cutting our throats, and we are bleeding.

Senator TALMADGE. Not only that, Mr. Chairman, but in virtually all of our agricultural programs we have held a price umbrella over the rest of the world and made it attractive for them to get into production while we have been reducing our own production.

I saw some statistics a few years ago about the average tobacco farm in Rhodesia. I have forgotten, but it was something on the order of 40 to 60 acres—

Senator JORDAN. That is correct.

Senator TALMADGE. For each farm, whereas the average tobacco farm in Georgia has about a 2-acre allotment, and it is not far different from that for the entire Flue-cured Tobacco Belt. You take in the cotton situation. There was a time when we produced perhaps two-thirds of the world's cotton. It has not been many years ago. Now I think it is about a third.

We have held a price umbrella over the rest of the world and made it attractive for them to get into production while we ourselves were being plowed out of production.

Senator JORVEN. In addition to that, those foreign governments are subsidizing those people to get in and we are subsidizing them to get out.

Senator TALMADGE. We are subsidizing them to get in, too, and subsidizing our own farmers to get out.

Senator JORDAN. That is right.

Senator TALMADGE. We are working against our interests both ways really.

Mr. SLOAN. This concerns me very much because a lot of these tobaccos, if we remove them from the market, they will be bought elsewhere. They will use our tobacco for what is called flavoring, our higher priced tobaccos, and they will buy the lower priced tobaccos from Rhodesia and some of these other countries, so we are extending this umbrella, Senator, even more under such a program.

Mr. WILLIAMSON. May I comment on that?

Senator Cooper, I am sure your question was not answered satisfactorily. I do not believe there is a satisfactory answer to it, or a precise answer, as to how you are going to accomplish pricing the grades exactly in relationship to their value.

Senator COOPER. And to the demand, too.

Mr. WILLIAMSON. Yes, demand comes into it. It is not necessarily overall demand but it can be demand in a grade, Senator.

Now since we are opposing this acreage-poundage, the poundage proposition, and favoring what we have, I would like to comment on what would happen between those two. Under a poundage system, where you had only so many pounds of tobacco to sell—I am a grower, and I have so many pounds of tobacco to sell—I am going to sell those that bring the highest prices. I do not think I would be expected to do otherwise. If everybody else does that, we are going to leave at home the tobacco that Mr. Sloan is talking about, the low-grade tobacco for which there is a market, and we are going to put a tremendous amount of tobacco in those highest priced grades and overload them, and there is not any reason to anticipate that the buyers are going to increase their demand so greatly for those top grades.

So we are going to have more tobacco than ever, we contend, going under price support loan than if we put this thing into effect. We are going to bunch a lot of tobacco in a few grades, in those top grades.

That is one of our basic faults to find with this system.

STATEMENT OF E. J. WIGGINS, MARION, S.C.

Mr. WIGGINS. With the 44-cent penalty, if we had a good group, anything that looked like it would bring 55 cents you would not even want to harvest it. Your penalty plus your expense of harvesting and handling it, it will at least take 55 cents.

Now, if you had a weak crop, you might say harvest the primes, but with a good crop, you would hesitate to even harvest those primes for which there is a demand. If an export company wanted a million pounds of primings at the first of the market, they would

not be on the market, because you would have to hold those back in your packinghouse until you saw where you would have any pounds left to sell them or not because it would not even be feasible to sell them together.

Mr. SLOAN. In summary, we submit that the basic problem in the Flue-cured tobacco industry is the continued production—on some farms—of too much of the “wrong kind” of tobacco, that is, tobacco not acceptable to the trade. The foreign and domestic market demand for this tobacco with low acceptability is far less than the present supply; therefore, it ends up in Government storage loan stocks and continues to create most of the present problems. In order to maintain or improve our competitive position in the world market, serious consideration must be given to improved quality and lowered costs of production. Achievements in these areas will permit gradual adjustment in the Flue-cured tobacco industry, whereby this product will be more able to compete effectively in world trade, and at the same time meet the domestic market demand and maintain profitable production opportunities for producers.

Since the present farm allotments are based on historical acreage only, we believe that, effective for the 1966 crop, the percentage of prior crops on individual farms that went under Government price support loan should be made a major factor in determining future acreage allotments for individual farms.

In addition to and in general agreement with the foregoing statement, we have attached, as appendix B, copies of resolutions by the South Carolina General Assembly and the South Carolina Farm Bureau relating to tobacco programs.

(The documents attached to Mr. Sloan's statement are as follows.)

TABLE 1.—Average sales price of Flue-cured tobacco, by States, 1956-63¹

[Cents per pound]

State	1956	1957	1958	1959	1960	1961	1962	1963
Florida.....	48.70	56.78	57.27	59.04	60.47	60.68	56.20	57.01
Georgia.....	48.46	56.23	57.57	58.27	56.80	59.10	56.91	57.78
South Carolina.....	² 52.36	59.78	59.98	63.15	61.98	66.20	³ 61.38	60.67
North Carolina.....	51.81	55.38	58.15	58.29	61.18	65.16	60.58	58.44
Virginia.....	² 52.42	51.11	57.87	54.27	59.16	63.38	³ 61.92	54.36

¹ Source: North Carolina Tobacco Reports, North Carolina Department of Agriculture, Raleigh, N.C.

² In 6 of the 8 years reflected in this table, the average price paid for South Carolina produced Flue-cured tobacco was higher than the average paid for Flue-cured tobacco produced in the 5-State area. In 1956, the average price paid in Virginia was 52.42; whereas the South Carolina average price was 52.36, a difference of 0.06 cents per pound.

³ In 1962 the average price paid in Virginia was 61.92; whereas the South Carolina average price was 61.38, a difference of 0.54 cents per pound.

172 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

TABLE 2.—*Production, sales, price, and farm value of South Carolina Flue-cured tobacco, 1956-63*¹

Year	Production and sales (pounds)	Average selling price (cents per pound)	Farm value of production (dollars)
1956.....	173,400,000	52.36	90,792,240
1957.....	128,700,000	59.78	76,936,860
1958.....	131,100,000	59.98	78,633,780
1959.....	142,965,000	63.15	90,282,397
1960.....	147,600,000	61.98	91,482,480
1961.....	151,600,000	66.20	100,359,200
1962.....	190,260,000	61.38	116,781,588
1963.....	162,400,000	60.67	98,528,080
Total.....	1,228,025,000	60.57	743,796,625

¹ Computations from prices as shown in table 1.TABLE 3.—*South Carolina Flue-cured tobacco production with computations to indicate farm value if lowest average State price for the Flue-cured tobacco area had prevailed for South Carolina-produced tobacco*¹

Year	South Carolina production and sales (pounds)	Lowest State average selling price in the Flue-cured area (cents per pound)	Computed value at lowest selling price (dollars)
1956.....	173,400,000	48.46	84,029,640
1957.....	128,700,000	51.11	65,778,570
1958.....	131,100,000	57.27	75,080,970
1959.....	142,965,000	54.27	77,587,105
1960.....	147,600,000	56.80	83,836,800
1961.....	151,600,000	59.10	89,595,600
1962.....	190,260,000	56.20	106,926,120
1963.....	162,400,000	54.36	88,280,640
Total.....	1,228,025,000	54.65	671,115,445

¹ Computations from prices as shown in table 1.TABLE 4.—*Increased value of South Carolina Flue-cured tobacco above the value computed at lowest average State price for the Flue-cured tobacco area*

Year	South Carolina production and sales (pounds)	Price differential (cents per pound) ¹	Value differential (sales times price differential) (dollars)
1956.....	173,400,000	3.90	6,762,600
1957.....	128,700,000	8.67	11,158,290
1958.....	131,100,000	2.71	3,552,810
1959.....	142,965,000	8.88	12,695,292
1960.....	147,600,000	5.18	7,645,680
1961.....	151,600,000	7.10	10,763,600
1962.....	190,260,000	5.18	9,855,468
1963.....	162,400,000	6.31	10,247,440
Total.....	1,228,025,000	5.92	72,681,180

¹ Price difference between South Carolina's average selling price as indicated in table 2 and the lowest State average selling price in the 5-State Flue-cured tobacco area as indicated in table 3.

TABLE 5.—*Production and accumulations of Stabilization Corporation stocks of Flue-cured tobacco, by types, 1961-64*¹

	1961	1962	1963	1964	Total
Production (million pounds):					
Type 14.....	176.6	190.3	182.0	² 165.5	³ 714.4
Type 13.....	293.3	346.8	313.7	² 315.9	³ 1,269.7
Type 12.....	386.1	400.1	421.9	² 410.7	³ 1,618.8
Type 11b.....	146.3	171.9	165.3	² 177.0	³ 660.5
Type 11a.....	246.7	291.2	281.2	² 312.9	³ 1,132.0
Total.....	1,249.0	1,400.3	1,304.1	² 1,382.0	³ 5,395.4
Stabilization Corp. receipts (million pounds):					
Type 14.....	7.2	4.9	5.5	³ 3.0	³ 20.6
Type 13.....	8.2	37.5	41.4	³ 46.5	³ 133.6
Type 12.....	31.3	65.9	63.0	³ 125.3	³ 285.5
Type 11b.....	6.2	35.1	38.5	³ 38.9	³ 118.7
Type 11a.....	17.4	93.8	128.8	³ 71.1	³ 311.1
Total.....	70.3	237.2	277.2	³ 284.8	³ 869.5
Flue-cured stocks on hand, Jan. 1, 1965 (million pounds): All types.....	53.8	225.4	253.9	284.8	817.9
Proportion of production by type going into Stabilization Corp. storage (percent):					
Type 14.....	4.1	2.6	3.0	³ 1.7	³ 2.9
Type 13.....	2.8	10.8	13.2	³ 13.8	² 10.5
Type 12.....	8.1	16.5	14.9	³ 28.6	³ 17.6
Type 11b.....	4.2	20.4	23.3	³ 20.6	³ 18.0
Type 11a.....	7.1	32.2	45.8	³ 21.3	³ 27.5
Total.....	5.6	16.9	20.3	³ 19.3	³ 16.1
Proportion of Stabilization Corp. receipts by types (percent):					
Type 14.....	10.2	2.1	2.0	³ 1.0	³ 2.4
Type 13.....	11.7	15.8	14.9	³ 16.3	³ 15.4
Type 12.....	44.5	27.8	22.7	³ 44.0	³ 32.8
Type 11b.....	8.8	14.8	13.9	³ 13.7	³ 13.6
Type 11a.....	24.8	39.5	46.5	³ 25.0	³ 35.8
Total.....	100.0	100.0	100.0	100.0	100.0

¹ Sources: "Flue-Cured Tobacco Market Review," TOB-FL-7, AMS, USDA, Washington, D.C., March 1964; "Flue-Cured Tobacco Market Review," TOB-FL-6, AMS, USDA, Washington, D.C., March 1963; "Tobacco Situation," TS-110, ERS, USDA, Washington, D.C., December 1964; and "News Letter," Flue-Cured Tobacco Stabilization Corp., Raleigh, N.C., Jan. 4, 1965.

² Estimated.

³ Preliminary.

TABLE 6.—*Estimated increased value of South Carolina Flue-cured tobacco production above a computed value if average North Carolina prices had prevailed, 1956-63*

Year	South Carolina sales (pounds)	North Carolina average price per pound (cents)	Difference, South Carolina over North Carolina price per pound (cents)	Computed value of South Carolina production with North Carolina average price (dollars)
1956.....	173,400,000	51.81	0.55	89,838,540
1957.....	128,700,000	55.38	4.40	71,274,060
1958.....	131,100,000	58.15	1.83	76,234,650
1959.....	142,965,000	58.29	4.86	83,334,299
1960.....	147,600,000	61.18	.80	90,301,680
1961.....	151,600,000	65.16	1.04	98,782,560
1962.....	190,260,000	60.58	.80	115,259,508
1963.....	162,400,000	58.44	2.23	94,906,560
Total.....	1,228,025,000	58.63	¹ 1.94334	719,931,875
Value actually received.....				743,796,625
Total difference.....			1.94	¹ 23,864,768

¹ 23,864,768 divided by 1,228,025,000 equals 1.94334 (average).

[From South Carolina Farm Bureau policies and recommendations for 1965]

TOBACCO RESOLUTIONS

(Adopted by voting delegates, November 14, 1964.)

No. 17. It is recognized that production of ripe, mature, and grainy tobacco requires greater care and higher cost than that of unripe "slick" tobacco. A greater percentage of ripe mature tobacco is purchased at the marketplace and more of the undesirable tobacco goes under price-support loans. It is for the good of growers and the tobacco industry that there be a greater incentive to produce the desirable and discouragement of the production of the undesirable. Farmers who produce the better tobacco create the demand for the U.S. Flue-cured. Since the present farm allotments are based on planted acres only, we believe that, effective for the 1966 crop, the percentage of prior crops of each crop going under price-support loan be a factor in determining individual farm allotments.

[From Journal No. 7, House of Representatives of the State of South Carolina, Thursday, Jan. 21, 1965]

CONCURRENT RESOLUTION

The following was introduced:

H. 1095. Agriculture and conservation committee: A concurrent resolution memorializing Congress to enact certain legislation relating to the tobacco farmers' program.

" * * Be it resolved by the house of representatives, the senate concurring:*

"That Congress be memorialized to enact legislation to provide the following:

"(a) That each farmer's future tobacco acreage cuts be based in proportion to the amount of tobacco placed in stabilization for him, taking the average of the individual farmer for the best 3 out of the last 5 years.

"(b) That for any future reduction in tobacco acreage the farmer will be paid a reasonable amount for the loss of his income from this part of his tobacco allotment and this to be set up on the basis of the feed grain program payments of various crops.

"(c) That loose leaf sale days for tobacco be extended to 10 days with full price support on all grades.

"Be it further resolved That copies of this resolution be forwarded to the President of the United States, to each U.S. Senator from South Carolina, each Member of the House of Representatives of Congress from South Carolina, the Senate of the United States, and the House of Representatives of the United States."

The concurrent resolution was agreed to and ordered sent to the senate.

[Excerpt from newsletter issued by Flue-Cured Tobacco Cooperatives Stabilization Corp., Raleigh, N.C. Feb. 1, 1965]

WHAT WILL HAPPEN IN 1965?

Final figures were recently released by the Tobacco Division, Agricultural Marketing Service, USDA, giving the grade composition of the 1964 crop. An analysis of these figures reveals some outstanding trends which have a tremendous impact upon the entire tobacco industry.

A study of the grade composition of the 1964 crop shows only 49.7 percent of the crop graded into grade groups which are straight grades or technically classified as mature to ripe tobacco. A normal crop, computed by using the combined average of the previous 10 crop years, should contain 66 percent of tobaccos classified as mature to ripe.

Although the 1964 crop did show a deficit in the mature to ripe tobaccos, it also showed a large excess in another area. The variegated group (KL, KF, KM, KV) has progressively increased in recent years, reaching a peak in the 1964 crop when 29.7 percent of the crop graded into the variegated grades. Normal for the crop would have been 11 percent or less than one-half the amount actually graded into the group. Other grade groups, such as the green, nondescript, etc., showed only minor variations.

The trend of producing more unripe or variegated tobacco and less mature to ripe tobacco has been evident for several years. The 1963 crop and other previous crops have shown similar patterns, only in lesser amounts. The revision of grade

standards prior to the 1963 crop and increasing the margin between desirable and undesirable grades on the price support schedule to better reflect market value have not improved crop composition to the extent desired. This situation should be of concern to, and receive the attention of, all segments of the industry having responsibilities in this area.

A study of Stabilization's receipts from recent crops indicates that receipts are correlated to the composition of the crop. In 1964, 49.7 percent of the crop graded into mature to ripe grades; 47.5 percent of Stabilization's receipts were in mature to ripe grades. The total amount of variegated tobacco in the 1964 crop amounted to 29.7 percent of the total crop; Stabilization's receipts were 46 percent in this category. The remaining 20.6 percent of the entire 1964 crop was graded into grades of green, nondescript, etc. These grades made up only 6.5 percent of Stabilization's total receipts and reflect a deficit as compared to a normal crop. By analyzing the composition of previous groups and the receipts of Stabilization, it is reasonable to assume that Stabilization's receipts are equally as good in value as those afforded by the entire crop.

The gradual change in crop composition of Flue-cured tobacco has helped to create problems for Stabilization. Tobaccos which have been consistently produced in excess of market demand and in excess of a normal crop composition have been and will continue to be difficult for Stabilization to move into normal trade channels. Modifications are needed by the overall industry to insure that the production and supply of future crops will meet the demands for ripe, mature, usable tobacco.

Mr. SLOAN. Having heard some comments on some of the statements made yesterday we made some telephone calls this morning in certain areas of South Carolina, and we find that we still have the support of our people regarding our position in those areas.

I would like to if I may—Mr. Williamson, would you like to finish? I have completed.

Mr. WILLIAMSON. I believe all that I had—

Senator TALMADGE. Mr. Williamson, for the record, in what capacity do you appear? As a tobacco farmer, representing the South Carolina Farm Bureau, Clemson College?

Mr. WILLIAMSON. Sir, I am making a part of this statement as a farmer. I am a farmer living on a farm. I am chairman of the Tobacco Committee of the South Carolina Farm Bureau, and Mr. Sloan of the South Carolina Farm Bureau was authorized by these people—I was present at the meetings—to make this statement for them.

Senator TALMADGE. I wanted to know your own capacity in the matter.

Mr. WILLIAMSON. Yes, sir.

I believe we have covered about everything except maybe to sum up what we think can be done to improve the supply quality situation, because everybody I think agrees that that is the trouble. There is more work toward expanding foreign markets and consideration of an effective subsidy. And two, just what we have suggested here, a further study of the revision of grades and price support. A good effort begun in 1963 seems to have slowed down. Then we would add this. That we are to encourage the production of tobacco that sells to buyers on the market, to discourage the production of tobacco that does not sell to buyers on the market.

We would favor the allotments to the farms that sold a big part of its tobacco, and we would penalize the allotment of the farm that puts a big part of its crop under loan.

We think that a lot of study—we have not got a formula for putting it into effect, but we think that it is the right idea, and we think that the Department of Agriculture and anybody capable of adding knowledge to it should begin an immediate study on it.

Mr. SLOAN. If I may introduce Mr. E. J. Wiggins. Mr. Wiggins is from Marion, S.C. He is a 100-percent farmer. He makes his living raising tobacco.

Senator COOPER. May I ask one question first. Are you proposing that when acreage allotments are made, the allotment of the producer who has, say, put 20 percent of his crop into loan, should be reduced?

Mr. WILLIAMSON. He would say yes. We say it should be effective. Some people go so far as to say it should be controlled, but we think that that should be one of the factors in allotting the national quota out to individual farm allotments, how much of it is sold and how much of it did not sell.

Senator TALMADGE. Let me ask you this question in that connection. Would that discriminate against any area of Flue-cured tobacco of the Flue-cured tobacco belt in that it might be the contention of the farmers of Virginia and North Carolina that since they do not get the first crack at the market, that such a plan would be discriminatory to them? Would that be discriminatory against them? Of course we are all in this boat together you know. What is of benefit to one group would necessarily have to benefit all.

Mr. WILLIAMSON. If it were true, sir, that that is the reason, I am afraid it would, but I do not feel that that is the main reason that their tobacco does not sell as readily as tobacco from other areas.

Now there are individual farmers in my area who fertilize heavily, put on a lot of something on their tobacco, and a good deal of it goes under price support loan, and the buyers do not want it.

Senator TALMADGE. You are getting to the question I was about to ask. There has been evidence that these various types of tobacco, I think they produce primarily type 14 in my own State, and I think the statistics show something on the order of 2 percent on the average for the last 5 years, 2 percent-plus has gone into CCC. You grow what type in South Carolina?

Mr. WILLIAMSON. Thirteen.

Senator TALMADGE. Thirteen?

Mr. WILLIAMSON. Yes.

Senator TALMADGE. Do you have some farms where a large percent of that same type tobacco goes into CCC and other farms where none or virtually none goes into CCC?

Mr. WILLIAMSON. We do, sir.

Senator TALMADGE. And it depends on the quality of the tobacco that is produced in that individual type, is that correct?

Mr. WILLIAMSON. It depends on the tobacco that is produced on that individual farm it is our contention. That can be affected by a good many things. It can be affected by the land, it can be affected some by climate, but it can be affected greatly by the farmer's desire, what that farmer intends to produce. It costs more to produce tobacco that is sold. It costs more to produce open, ripe, fluffy tobacco than it does this type of tobacco that is undesirable. It does not weigh as heavy.

Senator JORDAN. Under your theory then, you would have to pretty nearly have a law for every individual farmer, would you not?

Mr. WILLIAMSON. No, sir. You would just simply allot the national quota to farms, and one factor in allotting would be the amount that that farm—put it in a percentage. It would be simpler to put it in terms of pounds per acre. I just pick this figure out.

Say it is all right, stabilization was set up to take 150 pounds per acre. That is about $7\frac{1}{2}$ percent of the crop. So if anybody puts in more than 150 pounds per acre, they would get a slight reduction. I do not mean it would be any drastic reduction. It would be enough to discourage the tobacco from going under loan.

The thing has not been refined or thought through so far, but I would think that that would just apply only to the next year. You make an allotment every year.

Senator JORDAN. Do you think the farmers would vote for that? You know they have to vote on a referendum, and we would have to get something the farmers would vote on.

Mr. WILLIAMSON. I think they would. I think there are a lot of farmers in North Carolina and Virginia that would vote for it.

Senator JORDAN. Oh, I see. You South Carolina boys would not vote for that?

Mr. WILLIAMSON. I think in South Carolina they would vote real heavy, and I think in Georgia. I think it would be entirely on an individual basis. I think you would get a lot of votes for this thing on just the merit of what it would accomplish.

Senator JORDAN. There is an interesting fact that enters into this thing in talking about your early sales——

Mr. WILLIAMSON. Yes, sir?

Senator JORDAN (continuing). Following your market through. In 1964 the estimate of the pounds came out early as you well know; it came out on July 1 last year.

Mr. WILLIAMSON. Yes.

Senator JORDAN. That estimate was 1,221,513,000 pounds; that is what the buyers figured as the amount of tobacco they were going to have to buy.

Mr. WILLIAMSON. Yes.

Senator JORDAN. They moved in, picking up what they are going to use or what they think they are going to use. The final estimate was 1,382,478,000 pounds, and that is 161 million pounds different from the first estimate compared with what they actually raised and sold.

That can have an awful lot to do with it. It is the same as the cotton market, Senator. As you well know, when the prediction comes out there is going to be a short crop, they run in and start buying their cotton.

Mr. WILLIAMSON. When was that, sir?

Senator JORDAN. That is in 1964.

Mr. WILLIAMSON. But in spite of that, sir, your belt that opened earlier did not have as much tobacco to go under price support as after it opened later, but it bore the brunt of that. I grant that that is really bad on the whole belt. But I think with the Government making an estimate, if they have a good estimating service, they will underestimate as many times as they overestimate. I think that thing should even out.

Senator JORDAN. Of course, if you started doing this on tobacco, you would have to do it on cotton and peanuts and all other commodities.

Senator TALMADGE. They do that.

Senator JORDAN. We have got a surplus of all those now.

Senator TALMADGE. Support price based on quality.

Senator JORDAN. Well, it might and might not. But they do have an acreage on tobacco, I mean cotton.

Senator TALMADGE. But the support price is based on the quality produced.

Senator JORDAN. That is right. That is quite true. But they go pretty far down the lot in that support. It has not discouraged too many pounds of cotton, either.

The fact remains, regardless of what the solution to this problem is, we have got too much tobacco, and if South Carolina and North Carolina and Virginia and everybody else under the price support want to keep the price support, we are going to have to reduce this poundage. It has got to be done drastically and quickly or you are going to find there is not going to be any price support in my opinion.

Mr. WILLIAMSON. As a grower may I comment on that?

Senator JORDAN. Sure, you certainly may.

Mr. WILLIAMSON. After all, what we are faced with is a reduction in the number of pounds we produce.

Senator JORDAN. Right.

Mr. WILLIAMSON. Now, whether you do that by cutting acres or whether you do that by limiting pounds, you come out with the same result. You cut the farmer's income.

Now, I grant that this acreage-poundage thing is real fascinating and it has some real plausible sounding things in it, and that you can limit production under it. You can limit what tobacco goes to market. I do not know what is going to happen if it does not go, but you can limit how much is sold. You can take care of that. But when it comes under that system—to reduce or restrict—after the farmers once get used to it, why are they going to be any more willing to have their income restricted under that than they would by acres?

We think it can be done by acres. The thing that has deterred its being done by acres is pressure from us ourselves, that we do not want to face the medicine and restrict our income. It seems to me that you would be faced with the same thing whether it be by pounds or by acres. I may be all wrong.

Senator JORDAN. We are trying to find a solution to this thing. The only thing that I know is—and I think you know this, and I think everybody here knows it—that the acreage has not controlled the production of tobacco. We know that. We have got nearly 1 billion pounds, and most of it has gone in there in the last 4 years. That is correct, too, is it not? So we have got to find a solution to this thing because the acreage as it is now—and support prices by grade, yes, it is by grade—has not restricted the production of tobacco. You had a 10-percent cut last year. You got a 19½-percent cut this year, and the Department and everybody I have talked to says with a 19½-percent reduction in this year's crop that they will more than likely raise more tobacco than the market will consume this year.

We have got to devise some method of producing less tobacco than can be sold in that year in order to remove these billion pounds out of surplus. That has got to be sold.

If the Commodity Credit Corporation ever takes a notion to dump that tobacco at about 25 cents, you will see how much tobacco buyers are going to be in the market for a long time for anybody's tobacco. You just heard the statement made a while ago that 280,000 pounds or something was sold in Kentucky for about 20 cents a pound under the support price in 1 day. That is what would happen to it.

We are trying to find a solution to it. I am not saying this bill is perfect by any means. We want all the help we can get in trying to arrive at a bill that will accomplish what has got to be done for the tobacco farmer and everybody else concerned with it.

Mr. SLOAN. What we are saying, Senator, we all have the same end results in mind, but the directions or the ways of getting there are a little bit different.

Senator JORDAN. I grant that. I certainly do.

Senator COOPER. Mr. Williamson, is this your argument: that under a poundage program a farmer, in order to maintain his income, would tend to produce the grades bringing the highest price, and the result would eventually be a surplus of that type of tobacco?

Mr. WILLIAMSON. Yes, sir.

Senator COOPER. And that the Government would end up holding stocks of that type of tobacco, while at the same time the farmer would not be producing the broad variety of types that are needed.

Mr. WILLIAMSON. If he were producing them, he would not be selling them, but he would try.

Senator COOPER. Would he adjust his production to the market?

Mr. WILLIAMSON. Yes, sir.

Senator COOPER. You think it would be adjusted to the highest price.

Mr. WILLIAMSON. Yes, sir.

Senator JORDAN. One of the things that you point out there that looks like to me is part of our problem right now, you say it would discourage much of the current research and development program aimed at advancing knowledge and increasing efficiency in tobacco production. I think they have done a good job. I think that is part of our problem. They have done a good job in learning how to grow more per acre.

Mr. WILLIAMSON. Yes.

Senator JORDAN. With the types you have got and planting them closer together and with the weed killers and all of the other stuff combined, it is simple to grow tobacco. It is doing the same thing for every other crop that we produce. There is no question about it.

Mr. SLOAN. Are we going to put the brakes on that, Senator? Are we going to completely stop research?

Senator JORDAN. Absolutely not. We have got money in this year, and Senator Talmadge and I both supported the research program.

Mr. SLOAN. But that other would do that partially, sir.

Senator JORDAN. But one of the things in that research program—I know Senator Talmadge and Senator Cooper know this—is to produce a better tobacco that is more acceptable, because some of the things that they were growing on these new types, new seeds, and so forth, are not acceptable for anything. Nobody wants that. It was to find a new variety that was acceptable to grow. You cannot grow certain types on some of the lands that have nematodes and other diseases in the land.

Mr. SLOAN. Some of the prices of reduced tobacco got awfully much in demand, that 139 we were talking about.

Senator JORDAN. I know in the 1956 crop they just paid the freight on it to get it off the market. There is no question you will find a market for it if you sell it cheap enough.

But whenever a tobacco company—domestic or abroad, I do not care where he is—if he needs a million pounds of tobacco a year and he gets that 1 million pounds, he does not want 2 million. If it is 10 cents a pound, he does not want any more tobacco. That is all he wants. If he develops a cigarette or whatever he is making out of a cheap tobacco, and he can sell that and market it, he is not going to pay 70 cents for it or some other price. He will use good tobacco with a high quality flavor and aroma and so forth to blend with the cheaper grades of tobacco.

Of course the filter cigarette has had something do do with it. It has increased the consumption of your burley. As you well know, a lot of burley tobacco going into cigarettes did not used to go into them at all.

It is no easy problem to solve, and we all know that.

Mr. SLOAN. We agree.

May I ask Mr. Wiggins if he has any comment, sir?

Senator JORDAN. Mr. Wiggins, we will be very glad to hear from you, sir.

Mr. WIGGINS. I will make it very short. Most of what I have to say has been covered.

I am a farmer. That is where I get my income from. I am on the Tobacco Associate Board with headquarters in Raleigh, N.C. I think yesterday we had some men testify from that board. I am also a member from South Carolina. I grow around 53 acres of tobacco. That is what my allotment will be for this year. I did not inherit this tobacco. I bought it. I inherited practically 2 acres of it. The rest of it I bought and rented.

Under this new program which you are offering, it will really affect me very much. It will affect a lot of other farmers in my community very much. We have geared our setup this coming year to participate in the program that was offered us in December. We voted very strongly for it in our community. I got out and I did a lot of work in order to get the acreage control program passed. But I would not feel right to go back and ask the people of my community to change and go for a program of this type. We offered them one thing, or you offered them one thing, and they went for it. They are willing to take a cut. They are willing to adjust. But they are not willing to come under poundage.

A lot of the farms in our community, or in our county, have had poor management, and they are run down, and those are the farms that can be purchased and those are the farms that have been purchased by younger fellows.

If you put this type program on, a lot of those boys will lose those farms because they will have 1,400 and 1,500 pounds per acre to sell instead of what they can produce with their knowledge. This program would really jeopardize them.

I have sold tobacco in four States—Florida, Georgia, South Carolina, and North Carolina. This past year I sold in three States. I sold 35,000 in Georgia. Not one pound of that 35,000 went under Government loan. I sold 75,000 pounds in South Carolina of which approximately 13 percent went under loan. I sold 10,000 pounds on the Wilson market in North Carolina, and I think I am making a correct statement that not a pound of that went under supports.

The highest priced tobacco I have ever sold was in 1963 on the Wilson market. That was after the market was closed in South Carolina. I had several thousand pounds. I carried it to Wilson and 2-B4F brought \$83. That is the highest tobacco I ever sold.

This year I realized it was not old belt that was in trouble, it was the eastern belt. They were selling at the same time we were selling. I do not wish to say anything against my friends in North Carolina, but, sir, these are the facts. At the same time we were selling, they were selling. We were putting in 12 to 15 percent, and they were putting in a figure somewhat larger than that.

The time of sale may affect some, but it is not our overall answer.

Senator JORDAN. I know that. Does the average farmer in your territory have 53 acres of tobacco?

Mr. WIGGINS. No, sir. The average farmer is not willing to work the hours I am willing to work.

Senator JORDAN. He cannot get hold of the acreage anyhow, can he?

Mr. WIGGINS. If he has the greenbacks he can, or if he has the credit established. I feel sorry for production credit if this goes in because they are going to own some of my farms.

Senator JORDAN. Let me ask you another question. I think this is a pretty well established fact. The price of a farm in your area, the tobacco-growing area, is largely based on how many acres of tobacco are allotted to it, is it not?

Mr. WIGGINS. First they ask how many acres of tobacco do you have. That is the first question.

Senator JORDAN. That is right. And every time you cut this acreage, does that not reduce the value of that farm?

Mr. WIGGINS. No, sir.

Senator JORDAN. It does not?

Mr. WIGGINS. It increases the—farmland is higher now than it has ever been since 1955.

Senator JORDAN. What do you think would happen to the value of your farmland if the price support was withdrawn from tobacco?

Mr. WIGGINS. It would drastically hurt it. Any commodity now that you do not have support for is in trouble. We realize that—in cotton, tobacco, or anything else—because you would dump it all on the market at one time, and you are at the mercy of the buyer.

Senator JORDAN. That is the very thing that is worrying us, that if price supports—if we keep it, we have got to do something to get this poundage down.

Mr. WIGGINS. I realize we are in trouble. I realize that. But under bill 821 I do not feel like it will correct it because we do not have a monopoly on tobacco over the world, and you cannot force these other countries—Japan, England, and all those—to buy our tobacco. These boys at home, we might force it down their throats, but we cannot force it down the throats of these other boys at a high price. Just like has been said before, they will go somewhere else to get the cheap tobacco which we are now selling them, a lot of these P-4L's, stuff of that type. Under this program which you are offering, P-4L probably will not even go to the market any more.

Senator JORDAN. Any questions, Senator Cooper?

Senator COOPER. No.

Mr. WIGGINS. I do not want to lose any of the pounds we are selling now. We sold what?—501 million pounds abroad this year, I believe it was.

Senator JORDAN. Something over 450.

Mr. WIGGINS. No; 501 I believe it was in 1963. I believe it came out to 501 million pounds we sold. These customers will go somewhere to get the cheaper tobacco. They may buy the higher priced to blend to get the flavor.

Senator JORDAN. All right, sir.

Mr. SLOAN. I have one other gentleman, Mr. Frank Flowers from Darlington.

Senator JORDAN. We will be glad to hear from you, sir.

STATEMENT OF FRANK FLOWERS, DARLINGTON, S.C.

Mr. FLOWERS. Mr. Chairman, distinguished members of the committee, and ladies and gentlemen, I would like to say before getting into my statement that even though the weather is rather bad up here in Washington, I enjoy one improvement over home conditions. While I am around the farm, I have to cut this hearing aid down. If I do not, I get a lot of interference from my wife, you know. But being this far departed from home, I can turn it wide open and I do not have to worry about that static.

Senator TALMADGE. Sometimes the static around here is much worse than the wife's static.

Mr. FLOWERS. Senator Cooper, I would like to say, sir, that my wife is a very fine girl, and I had to go all the way to Kentucky to find her—up in Morganfield.

Senator COOPER. I am glad to know it.

Mr. FLOWERS. Yes, sir. Thank you.

As Mr. Sloan told you, I am Frank Flowers from Darlington, and I am a producer of tobacco as well as a dairyman. I appreciate the opportunity to be here this morning and discuss with you some of the aspects from maybe a smaller grower's standpoint in my area, particularly in my county and in the local community there.

I find it difficult to stand by and not raise my voice against a proposal that would adversely affect the tobacco farmers of the area that I come from. I, along with the other farmers in my community and in my county—this is generally speaking now—we recognize the fact that tobacco has been going into Stabilization at a large rate in recent years and something has to be done to correct the situation as regards the oversupply in the Stabilization stock.

Our farmers have indicated a willingness to make adjustments within the present program in order to try to help the situation.

Through personal initiative and also with the strong encouragement of USDA officials, the Extension Department officials, the buying interests, stabilization officials, and so forth, the majority of the farmers in my county and in the particular community in which I live have sought to implement and follow through on cultural practices that would enable them to produce tobacco acceptable to the trade. This is what we have been talking about here this morning. Now this has been done and is reflected in the relatively low percentage that these farmers have placed in the Stabilization.

I would like to give you a personal illustration of this. Over the years I have tried in my own operation to go along with the recommendations, and, over the past 5 years, I have put less than 2 percent of my own tobacco into Stabilization stock. However, in producing

the tobacco that would meet the demands of the buying interests, the farmers have subsequently had a lower yield per acre in areas which have not been so conscientious in following through on these recommended agricultural practices.

I think you will agree that here we have a rather strange paradox. If this acreage-poundage proposal goes through, the farmers who have conscientiously sought to produce tobacco acceptable to the trade would be penalized, while those who have gone overboard in the production of pounds without regard to market acceptability would, in effect, be rewarded.

We submit that the farmers who consistently employ the agricultural practices which result in a high percentage of their tobacco going into Stabilization are responsible to a large extent for our present oversupply of Stabilization stock.

I have had the opportunity and have gone around in the community and in the area in which I live and taken my time to personally talk with many of the farmers about this subject. I want to emphasize this point, that I have yet to talk with a single farmer who is favorable to this acreage-poundage approach. The feeling is that our present program, with some revisions, can get the job done.

Among the other unfavorable aspects of the acreage-poundage program—I think most of these have been covered, but I would certainly like to reiterate them at this time and reemphasize them because I think that they particularly represent the feelings of the particular farmers where I come from—that this proposal would have a disruptive effect upon the very favorable loose leaf program that we have had in effect down there in the last 3 years. Now this has aided the farmers of our area immeasurably in several ways. Of course we have a labor problem there, and this gives them an opportunity to get this tobacco on the floor early in the season when it has been pointed out here very forcefully this morning that the farmers need that early money. But under this program, he would have to hang on to that tobacco, which I think most of you know is very hard to keep in the packhouse. He would have to hang on to this tobacco, taking a chance on its ruining before the end of the season, the buying season. He would have to hang on to it, not knowing whether he wants to sell it or not.

Now, another way that we feel it would adversely affect us is that it would affect the orderly marketing of tobacco, as has also been pointed out here this morning.

Senator JORDAN. There is nothing in this bill that would have anything to do with the looseleaf sales as it is now drawn.

Mr. FLOWERS. What is that, sir?

Senator JORDAN. There is nothing in this bill to change the loose-leaf sales—

Mr. FLOWERS. I know, sir.

Senator JORDAN (continuing). As they are doing right now.

Mr. FLOWERS. We think that with the ramifications of the bill, though, that a farmer would be hesitant in marketing these primings that he normally markets at the very outset of the season. He would be hesitant in marketing those because they normally do not bring the price for tobacco that the higher tobacco on the stalk brings.

But under this poundage program he would have so many pounds he could sell. Consequently he would not know whether to market

this then or wait until the end of the season. He would not know whether he would need those pounds or not, and naturally he is going to market the tobacco that he feels he can get the highest dollar for. Does that answer your question, sir?

It has also been pointed out, and we are very keen on this one, it would make for an overproduction of grades for higher price supported tobacco and thereby cause a shortage of the lower grades of tobacco that are so desirable in the marketing trade today or in the tobacco trade, and, of course, if this were the case, and if there was a shortage of these tobaccos, then obviously they would have to go somewhere to find them. We think that possibly that would affect our domestic markets as well as our foreign markets.

Senator JORDAN. He will not have to go far for a good long while, just over to here. It is in stock now.

Mr. FLOWERS. Well, I would like to conclude my remarks at this time by submitting that the farmers in our area would like to be heard on this. In fact I had several of them—when they knew I was coming to Washington—they said, "Say a word for us, but we would certainly like to be heard on it ourselves. We cannot come up here to Washington," but if this program is imminent or if you are trying to promote it, they certainly want to be heard on the local level concerning their opinions and so forth.

We think that with a revision of the grades and standards to give incentive to the production of tobacco acceptable to the trade—and, Senator Talmadge, I concur with this; I believe that that can be worked out. You asked a question earlier this morning, if the Department officials could probably work out a program to place this incentive there, and I certainly think they could.

That concludes my statement, sir.

Senator JORDAN. How many acres of tobacco do you have?

Mr. FLOWERS. I have 12 now, sir, after the cut in allotment.

Senator JORDAN. You do know that, before this bill could take effect, there would have to be a referendum.

Mr. FLOWERS. Yes, sir.

Senator JORDAN. Let the farmers vote on it. In other words, nothing is going to be pushed down his throat. It is going to be up to him to decide whether he wants it or does not want it.

Mr. FLOWERS. That brings up another point, Senator.

Senator JORDAN. Let me finish here. If he does not vote for it, he has still got the same law he has got right now, you see.

Mr. FLOWERS. Yes, sir.

Senator JORDAN. This would be a choice of the two.

Mr. FLOWERS. Yes, sir.

Senator JORDAN. It will not nullify the act. It would just be a choice. That is what this amounts to.

Mr. FLOWERS. We definitely feel that if there is a referendum, that it should be by a two-thirds majority rather than a simple majority. Also we have to face this reality. That time is certainly of the essence now, not in our particular area but in some areas down Senator Talmadge's way and down toward Florida. They will be transplanting tobacco within a very short time, relatively speaking. We have already seeded our beds. We are making preparations for this year's crop. As Mr. Wiggins brought out, this certainly will pose many problems for the farmers there, along that line.

Senator JORDAN. Senator Talmadge?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. None. I think it is a good statement.

Senator JORDAN. Thank you, sir.

The other thing I would like for you to keep in mind on this, this bill should be, and it is designed to be, more help to a small farmer than it is a large farmer. In other words, I think this bill would be more help to you than it would the 53 acres down here.

Mr. WIGGINS. I have got that tobacco in my name, but the other man has the paper on it. I have got to meet those obligations, and a lot of those farms are set up on 7 years payments. You pay \$9,000 per acre in 7 years, and it pushes you pretty tight.

Senator JORDAN. I am not arguing that point at all, but what I am talking about is this: A man has got 4, 5, 3, or 2 acres and you keep cutting his acreage like the 19½ percent this year, pretty soon he is not going to have one barn. He is going to be forced out of the tobacco business entirely and a 19½-percent cut on your 12 acres, if that is what you have got now and you are going to take a cut of 19½ or 20 percent, is going to be a lot worse than it is for his 53 acres. He is going to still make a living. I do not know how much he owes on that. But that is the facts of life. And a great many farmers do not have an acre. You know that, too.

Mr. FLOWERS. That is true, sir, but we submit that under this acreage-poundage proposal that the little man would be more adversely affected than the big man, or as much so anyway.

Mr. SLOAN. Senator, one last statement. I do not think it is wrong to present it to the people. We would like the people to hear it before it is enacted into law. If we carry it to them and they want it, fine. If they do not want it, fine. I would like to leave it to them, sir.

Senator JORDAN. That is what happens exactly. I understand Congressman Cooley is already arranging some field hearings, and it certainly will be that whatever they find out will be available to this committee. Certainly the Senators, if they want to go to those field hearings, can go. We will not have one bill and they another. If we do, they will certainly be brought together. The farmers will be heard on this.

Senator COOPER. Would each of you who grow tobacco tell us what your average poundage per acre was last year?

Mr. SLOAN. Mine runs about 2,200.

Senator COOPER. 2,200.

What is yours?

Mr. WILLIAMSON. About 2,000.

Mr. WIGGINS. 2,650.

Mr. FLOWERS. Mine would be roughly 2,000, sir.

Senator JORDAN. The whole object of introducing this bill was to give the farmers a choice or a chance to do something for themselves, and they originated this. We did not originate this bill. In order to give them a chance to try to do something for themselves before the American people—getting right down to facts—say, “You are not going to vote any more money for price supports on tobacco.” That is when the tobacco producer is in real trouble. That is no beautiful picture, but that is the fact. It is getting harder and harder and harder to vote money for these support programs and for the terrific losses that are accumulating.

Am I right on that, any of you?

Mr. SLOAN. We are in total agreement with you, Senator, on that.

Senator JORDAN. Do you all have any objection to submitting this to the farmer and letting him vote on it?

Mr. SLOAN. No, sir.

Mr. WIGGINS. We would recommend to have hearings in each State before you submit it to Congress.

Senator JORDAN. The House is going to do that.

Mr. SLOAN. That is just what we want.

Mr. WILLIAMSON. We had hoped—of course that is past now—that it would go the route that it went in 1957, I believe, when you had acreage-poundage before, and I think they took it out in the area before it was enacted. Of course, that was the end of it.

Senator JORDAN. You well know, or I presume you do and I think you do, that the market today is in a much worse condition than it was in 1957. The poundage that is in the warehouse today under Government control and support makes this situation entirely different from what it was in 1957. It got in bad shape in 1955 and 1956. That tobacco has been dumped at a terrific loss to the taxpayer, but it is going right back up there again. We do not want that to keep on happening, because that is our problem.

Thank you very much for your testimony and for being with us.

Mr. SLOAN. Thank you, sir. You have been real kind.

Senator JORDAN. Mr. Holliday? Mr. Holliday, we appreciate your being here. Have a seat and state your name for the record, please, sir, and who you represent.

STATEMENT OF JOSEPH W. HOLLIDAY, GALIVANTS FERRY, S.C.

Mr. HOLLIDAY. I am Joseph Holliday, and I live at Galivants Ferry, S.C., in Horry County. I am a farmer first, and I am interested in the warehouse business, tobacco warehouse business, and operate a country store.

I would like to say that I thoroughly endorse this program that is proposed, in general. There might be some specifics that the Department might want to improve on, but in general I endorse it. I would certainly fight for the right of my neighbors to take the position which they have. But I certainly disagree with them. I say my neighbors because I live in Horry County and that is adjoining Marion County, and then there is Florence County and then Darlington County, so it is my opinion that the people who I have tried to find out and feel the pulse of would generally be in favor of such a bill that would control poundage.

Senator JORDAN. In other words, are you convinced that the acreage program has failed?

Mr. HOLLIDAY. Yes, sir.

Senator JORDAN. And there has got to be some other approach?

Mr. HOLLIDAY. That is right.

Senator JORDAN. And the combination of the two, so far as I know right now, is the best method that has been advanced. Now, nobody has given us another one to come along with it except a lot of suggestions, but I do not think anybody knows how to put that into effect.

Mr. HOLLIDAY. There are four things that come to my mind. I came up on the train last night, and I did not know exactly what you

were going to do, and then I found out you expected us to make a statement. I am speaking as a farmer and an individual, and I am very definitely interested in the economic condition of my area of the State.

First, I say that this program will make a farmer think of quality instead of yield. He is going to try and grow tobacco that will sell per pound higher than he will think of the total farm yield, what it brings. He is going to try to make a profit per pound, in my opinion. That will be a production control that would automatically make a farmer think of quality.

Second, it would stabilize the income of what we call the family farm, and it would stop acreage cuts which we all, I am sure, agree is going to come if we continue on just an acreage basis. If it stays like it is this year, I feel sure that next year the acreage allotment is going to be cut again. That would be worse on the real small farmer in stopping the acreage cuts.

It would seem to me that this would stabilize the value of a man's farm. Take, for example, a man that, say, has 2 acres of tobacco, and he has been cut already, and he is facing additional cuts. Well, if we can keep the acreage in line with about what it is, the value is thought of in acres. Like my friends stated, the first thing they ask, "How many acres of tobacco has he got?" Well, that is a general feeling. But I would say this: that a farm with a half acre of tobacco now would be valued differently, that is under this cut, than if you said a farm that had three-quarters of an acre of tobacco.

If we can keep acres on the farm so that the man that is farming it can have enough to run a barn—I mean it finally gets down to where he has not got enough to even plant. He will not bother with it. It could be that way.

Third, this plan would stop the increase of the stabilization stocks that we have got stored under this stabilization program, in my opinion, and it would then cut the cost of this whole tobacco program. What have we got? We have got pounds, as I understand it, almost a billion pounds. Now we have not got acres stored somewhere. We have got pounds stored. So if we can stop putting this tobacco in Stabilization, we are going to save money in this program it looks to me like, and, therefore, save the taxpayer money.

It seems, as I understand the proposal, to be as fair as I could imagine anybody coming up with, because you are not going to please everybody. But you have got a national yield factor you use in this proposal. It is tied to a county factor which is tied to an individual's deal factor, the first used on a 5-year basis, and the individual is used on a 3-year highest yield, which gives the individual certainly a representative figure in there as to his own production on his own farm.

They were speaking of how the feeling is. Of course, in my area the feeling that I get is that they will support some type of poundage control program. That is mainly in South Carolina, but the only objections that I have heard—and this is in a general way—have been in North Carolina where they say, "We would rather for it to be tied to a township factor than to a county factor." That is a matter that the Department would have to deal with. I mean it is the mechanics of it, what is fairest for everybody.

I know in Horry County we have got some townships that would vary from one end of the township to the other as much as the whole county would, because it is a large county and we have large townships.

On this bill I know of some of the background of the work that has gone into it and some of the people who have worked on it, and I do have confidence in these people and feel that they would try to work for what is equitable for the farmers and for the tobacco industry, and that is a good feeling to have confidence, in general, in the proposed plan.

The best thing about it all—as I heard you mention just now, Senator Jordan—is that after the farmers are informed on how it works and they are told how many acres they have got and how many pounds they can sell, then it is left squarely on the farmer's shoulders to decide himself. As I understand it, it would be a two-thirds vote either for the new program, poundage control, or he could keep the acres that he has got. I mean it is left up to him to decide.

If we do not control pounds further, as I mentioned just now, we are going to certainly have acres cut, and I repeat this because the real small farmer is the one that is going to suffer on the acreage alone program as I see it. If he has got pounds, if he does not plant his acreage allotment one year, as I understand the proposal, the following year he could plant double that. If he had an acre of tobacco, and he said, "That is too little for me to plant," the next year this proposal provides he could plant 2 acres of tobacco and have a better chance to make something out of it and more to work with.

Senator JORDAN. It provides also a disaster factor in there, a crop failure or a virtual failure, or at least in the nature of things that do happen to crops, he could make it up the next year and vice versa.

Mr. HOLLIDAY. Well, I have a note on that. It is almost like an insurance plan on his crop because if he has a failure, for example, hail could destroy his crop, he can carry all those pounds to the next year. I know I lost a packhouse with a whole crop of tobacco in it and did not have insurance. Well, if that happened, as I understand it, we could plant and produce additionally that many pounds for the next year, as I understand the proposal.

Senator JORDAN. I am not so certain about a fire.

Senator TALMADGE. If we do not have that in the bill, it ought to be included.

Senator JORDAN. I think it does. If he does not market it, I do not care how you lost it. I think you could produce those poundages the next year even if it was in the packhouse.

Mr. HOLLIDAY. That is the way I interpret it.

Senator JORDAN. I think that is right, but I do not think it is spelled out about fire. It has a factor to take care of that. I did not mean to interrupt.

Mr. HOLLIDAY. That is all right; yes, sir. But this fact of insurance, in my opinion, is certainly good and protects everybody across the board. As I stated, the problem is pounds. I mean we cannot get around it. What is the problem? We have got almost 1 billion pounds to deal with, and somewhere something has got to be done about pounds.

This bill, as I understand it, would restore 95 percent of the 1964 allotment and certainly would give a man on a farm—whether he is an individual farmer or whether he is a tenant farmer—a better chance to work quality with expanding acreage.

As I am told and read, the Stabilization Corp. thinks that under this plan they might move about 100 million pounds of tobacco a year.

I think Mr. Weeks could verify that, but I have read that in the paper. If that is the case—and it sounds reasonable—not only would we move, say, the 100 million pounds but additionally to that it would generate, I think, export trade along with it because a lot of the buying companies have held back on export trade with this problem facing us. They know there is plenty of tobacco in stabilization, and somewhere down the line somebody is going to buy it, I believe, and we could generate additional trade that you cannot put your finger on now.

Speaking of the 100 million pounds, they say that it would disappear or be sold. In my opinion it would be like a mortgage. It is a 10-year plan. They would get rid of 100 million a year. It would be just like paying off a mortgage, in very simple terms, to reduce the problem, or you might say the debt.

I think in general that sums it up as I see it, Senator.

Senator JORDAN. We appreciate your testimony. We appreciate it very much. We appreciate your coming. It is very good testimony.

Mr. HOLLIDAY. I would like to give you a copy of yesterday's News and Courier, and ask that it be put in the record. I have marked No. 1 on here. The headlines are: "Pee Dee Tobacco Growers Face Stacked Deck." It gives you some idea of the news in certain areas down there. It says:

Representative of the Pee Dee tobacco industry apparently will be competing against a stacked deck during a round of hearings on Flue-cured leaf in Washington today and tomorrow.

It goes on, and I think you will enjoy this:

Officially, the hearings were called by the leaf subcommittee of the Senate Agriculture Committee at the request of North Carolina's poker-faced U.S. Senator Everett Jordan.

Senator TALMADGE. We know him up here as a great Methodist rather than a great poker player.

Senator JORDAN. I will tell you my hole card has been mighty small lately. I know something about the game, but I haven't played it in a long time.

Mr. HOLLIDAY. Another paragraph in here. The Associated Press has carried it that Mr. Weeks of Stabilization endorsed this program, and I think it was certainly fine that the public found out about that down home.

Unofficially, they promise to furnish the final countdown for launching a move in Congress to scrap present acreage controls for a complicated system of "acreage-poundage" controls to bring tobacco supply back in line with demand.

Jordan and U.S. Representative Harold D. Cooley, also of North Carolina, are making it no secret they back switching from acreage to acreage-poundage. Cooley, the chairman of the House Agriculture Committee, only has doubts about how soon the change can be made.

South Carolina opposition to the swap, topped by official protest from the State farm bureau, is expected to have little chance in countering the North Carolina backed drive for acreage-poundage.

An official of the Pee Dee leaf industry late yesterday said "odds in favor of acreage being dropped jumped sky high during the past few days."

He was referring to rapid-fire endorsement of the new system by "L. T. (Tubby) Weeks, manager of the Flue-Cured Tobacco Cooperative Stabilization Corp."; second, "Tobacco Associates Chief John Palmer," and third, and this is the way they think of it, maybe not

least, President Johnson endorsed it. That is in the record here. Anyhow I hand you this.

Senator JORDAN. I will be glad to put that in the record.
(The newspaper article referred to follows:)

[From News and Courier, Charleston, S.C., Feb. 9, 1965]

PEE DEE TOBACCO GROWERS FACE STACKED DECK

(By Leverne M. Prosser)

FLORENCE.—Representatives of the Pee Dee tobacco industry apparently will be competing against a stacked deck during a round of hearings on Flue-cured leaf in Washington today and tomorrow.

Officially, the hearings were called by the leaf subcommittee of the Senate Agriculture Committee at the request of North Carolina's poker-faced U.S. Senator Everett Jordan.

Unofficially, they promise to furnish the final countdown for launching a move in Congress to scrap present acreage controls for a complicated system of acreage-poundage controls to bring tobacco supply back in line with demand.

Jordan and U.S. Representative Harold D. Cooley also of North Carolina are making it no secret they back switching from acreage to acreage-poundage. Cooley, the chairman of the House Agriculture Committee, only has doubts about how soon the change can be made.

South Carolina opposition to the swap, topped by official protest from the State farm bureau, is expected to have little chance in countering the North Carolina backed drive for acreage-poundage.

An official of the Pee Dee leaf industry late yesterday said "odds in favor of acreage being dropped jumped sky high during the past few days."

He was referring to rapid-fire endorsement of the new system by L. T. (Tubby) Weeks, manager of the Flue-Cured Tobacco Cooperative Stabilization Corp., Tobacco Associates Chief John Palmer and President Johnson in his agriculture message to Congress.

South Carolina's Sixth District Congressman John L. McMillan, of Florence, has expressed reservation on dropping acreage for acreage-poundage but reports from Washington indicates his vote in the negative as a member of the House Agriculture Committee would be in the minority.

There has been no answer from Washington to a request by the State Warehouse Association that hearings on tobacco be held in the Flue-cured area including the Pee Dee before any changes are made in the program.

One source yesterday said unidentified North Carolina leaf spokesmen are set to recommend that Congress improve chances of getting a favorable vote in favor of acreage-poundage by lowering the percentage of yes ballots to carry the measure.

Previously, tobacco farmers have had to approve crop controls by a two-thirds majority in order to qualify for price supports. The North Carolina move to lower the percentage would be aimed at keeping a strong no vote in South Carolina, Georgia, Florida, and Virginia from killing acreage-poundage controls in the required referendum.

North Carolina growers produce five times the amount planted in this State.

Senator TALMADGE. Mr. Holliday, how many acres of tobacco do you raise?

Mr. HOLLIDAY. I raise several hundred.

Senator TALMADGE. How many is several hundred?

Mr. HOLLIDAY. Well, I don't know, sir.

Senator TALMADGE. You don't know how many acres of tobacco you raise?

Mr. HOLLIDAY. I don't know on purpose, sir.

Senator TALMADGE. Farmers in Georgia know within fractions of an acre.

Mr. HOLLIDAY. We farm with families who are partners of ours, and they are the little man. He is the forgotten man.

Senator JORDAN. Thank you very much. Did you have any further questions?

Senator TALMADGE. No further questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. Come back and testify on some other commodity some time.

Senator JORDAN. Thank you very much. Mr. Durden, will you come forward, please? Mr. Durden is from Swainsboro, Ga., and we are glad to have you.

Senator TALMADGE. Mr. Chairman, may I say it is a privilege to welcome an old friend of mine to the committee. Mr. Durden is well known in Georgia, an outstanding lawyer, and represents the Georgia Tobacco Commodity Association. I believe that is correct, Mr. Durden?

Senator JORDAN. Go right ahead, sir.

STATEMENT OF HOMER S. DURDEN, JR., ATTORNEY FOR THE GEORGIA COMMODITY COMMISSION FOR TOBACCO, SWAINS- BORO, GA.

Mr. DURDEN. My name is Homer S. Durden, Jr., of Swainsboro, Ga. I am the attorney for the Georgia Commodity Commission for Tobacco and I am speaking for Mr. Otis G. Turner, chairman, who is unable to attend this meeting because of illness.

The Georgia Commodity Commission for Tobacco is opposed to this proposed legislation on the grounds that first, the law already provides for quotas on tobacco on the basis of poundage in that the national marketing quota is determined by the Secretary of Agriculture and he proclaims the number of pounds of tobacco for the succeeding year on the basis of poundage which, under current law, he may convert to acreage basis when making the allocation of tobacco to the various States. This conversion from poundage as based on the national marketing quota to acreage to the individual State quotas is permissive and is not mandatory and it is our contention and belief that no additional legislation is necessary to establish a poundage quota basis.

Further, we oppose the proposed legislation in that no consideration is given to the farmers whose crops do not go into Stabilization. In the type 14 belt, less than 2 percent of the Flue-cured tobacco goes into Stabilization. In other belts as much as 43.6 percent goes into Stabilization. It is the tobacco held in Stabilization that primarily constitutes the surplus faced by the tobacco industry today. Of the 961 million pounds of tobacco held in Stabilization, approximately 17 million pounds represents type 14 Flue-cured tobacco. We strongly urge and believe that the quota should be adjusted taking into consideration the amount a farmer places in Stabilization from his production and sale of tobacco, and that it is not equitable to cut the quota of farmers who are not contributing to surplus in the same percentage and amount as for the farmer who is contributing to the surplus.

Rather than new legislation, we feel that a proper administration of the current law is in order. We are familiar with the statement presented by Mr. William L. Lanier, president of the Georgia Farm Bureau Federation, and adopt his presentation as ours. I will be glad to answer any questions. I realize you are working against a time deadline.

Senator JORDAN. We are glad to have you, sir. Mr. Lanier made a fine statement yesterday. Senator Talmadge?

Senator TALMADGE. Yes. Mr. Durden, did I understand your testimony to be that the Secretary of Agriculture now has the authority under the present law to set acreage quotas in accordance with types?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Do you have a copy of that act with you?

Mr. DURDEN. In my code. I don't have it with me.

Senator TALMADGE. Will you provide it for insertion in the record.

Mr. DURDEN. I can give you the code section, Senator.

Senator JORDAN. We have the code right here. What is the section number?

Mr. DURDEN. 7 U.S.C. 1331 I believe, or 1313.

Mr. HARKER T. STANTON (committee counsel). Section 301(b)(15) of the Agricultural Adjustment Act of 1938 provides that any one or more types of tobacco shall be treated as a "kind of tobacco" for purposes of the act if the Secretary finds there is a difference in supply and demand conditions which requires different marketing adjustments. Section 313(i) provides for increasing quotas and allotments for farms producing particular types of tobacco where necessary to make available adequate supplies of those types.

The Secretary also has authority to apportion quotas on a poundage basis.

Sections 313 (a) and (b) provide for the proclamation of national marketing quotas their apportionment to States and farms on a poundage basis.

Subsection (g), which was added to section 313 in 1939, authorizes the Secretary of Agriculture to convert State marketing quotas into State acreage allotments, and allot them to farms on a basis similar to that provided for the apportionment of poundage quotas.

Mr. DURDEN. That is permissive.

Mr. STANTON. Yes. The Secretary has the authority to make farm allotments on either an acreage basis or a poundage basis.

Senator TALMADGE. I would like to incorporate that in the record, if it is your contention.

Mr. DURDEN. Yes, sir.

(The information submitted by Mr. Stanton is as follows:)

THE AGRICULTURAL ADJUSTMENT ACT OF 1938

SEC. 301. (a) * * *

(b) Definitions Applicable to One or More Commodities.—For the purpose of this title—

* * * * * *

(15) "Tobacco" means each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

Flue-cured tobacco, comprising types 11, 12, 13, and 14;

Fire-cured tobacco, comprising types 21, 22, 23, and 24;

Dark air-cured tobacco, comprising types 35 and 36;

Virginia sun-cured tobacco, comprising type 37;

Burley tobacco, comprising type 31;

Maryland tobacco, comprising type 32;

Cigar-filler and cigar-binder tobacco, comprising types 42, 43, 44, 45, 46, 51, 52, 53, 54, and 55;

Cigar-filler tobacco, comprising type 41.

The provisions of this title shall apply to each of such kinds of tobacco severally: *Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a "kind of tobacco" for the purposes of this Act if the Secretary

finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand: *Provided further*, That with respect to the 1958 and subsequent crops, type 21 (Virginia) fire-cured tobacco shall be treated as a "kind of tobacco" for the purposes of all of the provisions of this title, except that for the purposes of section 312(e) of this title, types 21, 22, and 23, fire-cured tobacco shall be treated as one "kind of tobacco".

* * * * *

APPORTIONMENT OF NATIONAL MARKETING QUOTA

SEC. 313. (a) The national marketing quota for tobacco established pursuant to the provisions of section 312, less the amount to be allotted under subsection (c) of this section, shall be apportioned by the Secretary among the several States on the basis of the total production of tobacco in each State during the five calendar years immediately preceding the calendar year in which the quota is proclaimed (plus in applicable years, the normal production on the acreage diverted under previous agricultural adjustment and conservation programs), with such adjustments as are determined to be necessary to make correction for abnormal conditions of production, for small farms, and for trends in production, giving due consideration to seed bed and other plant diseases during such five-year period. * * *

(b) The Secretary shall provide, through the local committees, for the allotment of the marketing quota for any State among the farms on which tobacco is produced, on the basis of the following: Past marketing of tobacco, making due allowance for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That, except for farms on which for the first time in five years tobacco is produced to be marketed in the marketing year for which the quota is effective, the marketing quota for any farm shall not be less than the smaller of either (1) three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds, in the case of other kinds of tobacco, or (2) the average tobacco production for the farm during the preceding three years, plus the average normal production of any tobacco acreage diverted under agricultural adjustment and conservation programs during such preceding three years.

* * * * *

(g) Notwithstanding any other provision of this section, the Secretary on the basis of average yield per acre of tobacco for the State during the five years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production, may convert the State marketing quota into a State acreage allotment, and allot the same through the local committees among farms on the basis of the factors set forth in subsection (b), using past acreage (harvested and diverted) in lieu of the past marketing of tobacco; and the Secretary on the basis of the national average yield during the same period, similarly adjusted, may also convert into an acreage allotment the amount reserved from the national quota pursuant to the provisions of subsection (c), and on the basis of the factors set forth in subsection (c) and the past tobacco experience of the farm operator, allot the same through the local committees among farms on which no tobacco was produced during the last five years. Any acreage of tobacco harvested in excess of the farm acreage allotment for the year 1955, or any subsequent crop shall not be taken into account in establishing State and farm acreage allotments. Except for farms last mentioned or a farm operated, controlled, or directed by a person who also operates, controls, or directs another farm on which tobacco is produced, the farm-acreage allotment shall be increased by the smaller of (1) 20 per centum of such allotment or (2) the percentage by which the normal yield of such allotments (as determined through the local committees in accordance with regulations prescribed by the Secretary) is less than three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds in the case of other kinds of tobacco: *Provided*, That the normal yield of the estimated number of acres so added to farm acreage allotments in any State shall be considered as a part of the State marketing quota in applying the proviso in subsection (a). The actual production of the acreage allotment established for a farm pursuant to this subsection shall be the amount of the farm marketing quota. If any amount of tobacco shall be marketed as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments next established for both

such farms shall be reduced by that percentage which such amount was of the respective farm marketing quota, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary or if any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the acreage of tobacco grown on the farm required by regulations issued pursuant to this Act, the acreage allotment next established for the farm on which such tobacco is produced shall be reduced by a percentage similarly computed. If in any calendar year more than one crop of tobacco is grown from (1) the same tobacco plants or (2) different tobacco plants, and is harvested for marketing from the same acreage of a farm, the acreage allotment next established for such farm shall be reduced by an amount equivalent to the acreage from which more than one crop of tobacco has been so grown and harvested.

* * * * * *

(i) Notwithstanding any other provision of this Act, whenever after investigation the Secretary determines with respect to any kind of tobacco that a substantial difference exists in the usage or market outlets for any one or more of the types comprising such kind of tobacco and that the quantity of tobacco of such type or types to be produced under the marketing quotas and acreage allotments established pursuant to this section would not be sufficient to provide an adequate supply for estimated market demands and carry-over requirements for such type or types of tobacco, the Secretary shall increase the marketing quotas and acreage allotments for farms producing such type or types of tobacco in the preceding year to the extent necessary to make available a supply of such type or types of tobacco adequate to meet such demands and carry-over requirements. The increases in farm marketing quotas and acreage allotments shall be made on the basis of the production of such type or types of tobacco during the period of years considered in establishing farm marketing quotas and acreage allotments for such kind of tobacco. The additional production authorized by this subsection shall be in addition to the national marketing quota established for such kind of tobacco pursuant to section 312 of this Act. The increase in acreage under this subsection shall not be considered in establishing future State or farm acreage allotments.

* * * * * *

Senator TALMADGE. Is it true you are representing the Georgia Tobacco Commodity Commission, which has filed a lawsuit against the Secretary?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Is it in the nature of a mandamus?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Mandamusing him to take action in accordance with that law?

Mr. DURDEN. Not that particular section of the law, Senator Talmadge. The lawsuit is based on the legal theory that under the law where there is a difference in supply and demand conditions amongst the types of Flue-cured tobacco of such a degree as to warrant a difference needed in the adjustment for supply, to bring it in line with demand, the Secretary treat that type or types of Flue-cured tobacco as a separate kind of tobacco.

We contend, using Government figures, that in 1963 Georgia had 2.8 percent type 14 Flue-cured tobacco to go into stabilization, where some of the other belts put in as much as 46 percent, and that there is such a difference in the supply and demand conditions that we should treat type 14 as a separate kind of tobacco.

Senator TALMADGE. In other words, your contention is they ought to reduce where the surplus tobacco lies?

Mr. DURDEN. Correct.

Senator TALMADGE. And not where there is no surplus tobacco.

Mr. DURDEN. That is correct.

Senator TALMADGE. What has happened to your lawsuit?

Mr. DURDEN. The oral arguments were held before the Fifth Circuit Court of Appeals in Atlanta on October 5.

Senator TALMADGE. What happened in the lower court?

Mr. DURDEN. The lower court ruled with the plaintiff and joined with the Secretary.

Senator TALMADGE. You prevailed in the Federal district court?

Mr. DURDEN. We did, sir.

Senator TALMADGE. And the Department of Agriculture appealed?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. And that appeal is now pending in the Fifth Circuit Court of Appeals?

Mr. DURDEN. Correct, sir.

Senator TALMADGE. That is the status of it now?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. So if this bill is passed, what would that do to your lawsuit?

Mr. DURDEN. I think it would legislate it out of court, sir.

Senator TALMADGE. You, of course, recognize that the tobacco industry is in a serious condition by oversupply?

Mr. DURDEN. Yes, sir. I am fully aware of that. I might say that my family, we have been growing tobacco since 1928. My father used to be a director of the Tobacco Division for the Department of Agriculture, and I reckon I have slept on about as many piles of tobacco waiting for it to be sold as anybody in this room, and I am fully aware of the situation, what we are faced with.

However, I say that we did not create it in the type 14 area. It was created elsewhere, and we should not be punished by taking these cuts, which is through no fault of our own.

Senator TALMADGE. You say that the present law authorizes a present remedy to reduce quotas of tobacco which is now in surplus?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. And that you have filed suit under that theory of present law, and prevailed in the district Federal court, and the Department has appealed it to the fifth circuit?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. And you think if the Secretary took action in accordance with your theory of the law, that the supply of tobacco wherein the surplus lies would be reduced and therein the taxpayers would fail to lose money on it, and the farmers that produce quality tobacco could continue to do so.

Mr. DURDEN. Yes, sir.

Senator TALMADGE. That is your argument?

Mr. DURDEN. That is my argument.

Senator TALMADGE. That was the substantial argument I believe of Mr. Lanier representing the Georgia Farm Bureau Federation yesterday.

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Also substantially the argument, though it didn't go into the legal details, of the group who appeared for the South Carolina Farm Bureau this morning.

Mr. DURDEN. Yes, sir.

Senator TALMADGE. I have no further questions.

Senator JORDAN. Mr. Durden, if a referendum—you know farmers have to vote on a referendum for the acreage.

Mr. DURDEN. Yes, sir.

Senator JORDAN. For support price of any description.

Mr. DURDEN. Yes, sir.

Senator JORDAN. When this one runs out they will have to vote on another one. The last time they voted overwhelmingly for it. Suppose we had another referendum and the referendum failed, do you think we could pass a law to support the Georgia crop and nobody else's crop?

Mr. DURDEN. Sir, let me answer this way—

Senator JORDAN. Would you like to operate out from under controls?

Mr. DURDEN. I personally sought to get a strong vote for the last referendum. I am in favor of support price, the support program. There are a lot of our friends that I prevailed upon to vote for this program, you know they did not want to vote for it. I think if you go back with this new referendum, that you will have serious trouble passing it in Georgia.

Senator JORDAN. They will have a choice to vote on it.

Mr. DURDEN. Yes, sir, but I think they will vote overwhelmingly against it in Georgia.

Senator JORDAN. That is of course their privilege. We want to give them the choice or the chance.

Mr. DURDEN. Yes. We feel like if the current law is administered in the manner Congress provided, that that would solve the problem.

Senator JORDAN. How do you think this bill would legislate your case out of court?

Mr. DURDEN. The way that it is handled as to the treatment of kinds of tobacco, sir, the wording in there. Of course I have not had a chance to do any research on that, but I believe it would have the effect of doing that.

Senator JORDAN. Let's make a little supposition here. You all raise type 14(b) tobacco?

Mr. DURDEN. Yes, sir.

Senator JORDAN. Suppose all the farmers say, "We are just going to plant type 14 now." I think they could grow 14 in Virginia just as good as they can in Georgia.

Mr. DURDEN. No, sir, under the law they can't. I beg to disagree with you, sir, but under the service and regulatory announcements No. 118, which was announced by the Secretary of Agriculture in 1929, and was adopted by Congress in the Agriculture Adjustment Act in 1938, type 14 tobacco is that tobacco which is produced principally in Georgia, and to some extent in the northern part of Florida and Alabama.

Senator JORDAN. Yes, but it has been testified here this morning that you could raise the tobacco and take it to Georgia and then it becomes type 14.

Mr. DURDEN. Excuse me for interrupting, sir. That is one of the contentions in the lawsuit. The Department of Agriculture classifies tobacco for production purposes one way, and then for sales purposes, marketing, another way. It is our contention just what was testified here today, that the Secretary has been illegally doing that.

He cannot classify type 14 tobacco that is raised in South Carolina or in North Carolina and brought into Georgia and sold as type 14 tobacco.

Senator JORDAN. Does he have a right under the law right now to say that North Carolina, Kentucky, South Carolina, and Virginia could all raise type 14?

Mr. DURDEN. No, sir.

Senator JORDAN. Was there a special law passed?

Mr. DURDEN. No, sir. The law defines all types of Flue-cured tobacco.

Senator JORDAN. It doesn't define it has to be planted in Georgia, does it?

Mr. DURDEN. No, sir, but it defines type 11, type 12, and type 13 as to where they are produced. That is one of the main contentions in our lawsuit. We can't get the judges to give a decision on it.

Senator JORDAN. We haven't the time to try that lawsuit right now.

Mr. DURDEN. I would like to try it with you, sir.

Senator JORDAN. Thank the Lord I am not a lawyer. I am sufficiently confused without being one.

Mr. DURDEN. We all are, sir.

Senator JORDAN. Thank you very much.

Senator COOPER?

Senator COOPER. I am not quite clear what you are proposing. Are you proposing that this type 14 be excepted from this bill?

Mr. DURDEN. No sir.

Senator COOPER. That it is a type other than or different from Flue-cured?

Mr. DURDEN. Our proposal, Senator Cooper, is that we already have adequate legislation on the books; that if the Secretary will administer the laws of the Congress as he should, that this proposed legislation is not necessary.

Senator JORDAN. That would require another law then, wouldn't it?

Mr. DURDEN. No, sir, I think it is already on the books. Of course, this is one lawyer's viewpoint, you might say. We lawyers do disagree. That is what we get in courts about. We are very definitely in favor of controls, sir, the support program.

Senator JORDAN. Thank you very much. We appreciate your being here, sir.

Mr. Ford is our next witness. Mr. Ford is from the Maryland Tobacco Cooperative. Mr. Ford, we are glad to have you, sir. I believe your statement is very short, one page.

STATEMENT OF TYLER FORD, GENERAL MANAGER, MARYLAND TOBACCO COOPERATIVE, UPPER MARLBORO, MD.; ALSO REPRESENTING THE MARYLAND STATE FARM BUREAU AND THE SOUTHERN MARYLAND FARM BUREAU

Mr. FORD. Mr. Chairman, my name is Tyler Ford. I am general manager of the Maryland Tobacco Cooperative. I would like to present to you Mr. R. Johns Dixon. Mr. Dixon is vice president of the Maryland State Farm Bureau and also president of the Southern Maryland Farm Bureau.

Senator JORDAN. Thank you, sir. We appreciate your being here.

Mr. FORD. I am speaking on behalf of the Maryland State Farm Bureau, the Southern Maryland Farm Bureau, and the Maryland Tobacco Cooperative.

We have a good understanding of the problems of our friends in some other types of tobacco; we are in complete sympathy with them and are therefore strongly in support of Senate bill 821 for the establishing of acreage-poundage marketing quotas for tobacco.

Extreme cultural practices such as excessive use of fertilizer and wide usages of sucker control chemicals are not yet a problem in Maryland tobacco. Our average acre production in Maryland has barely reached 1,000 pounds per acre, whereas we would be in a better position quality-wise if our average acre-poundage were more nearly 1,500 pounds per acre. Our growers are still maintaining good cultural practices for the production of a desirable type of tobacco. At some future time we might well expect to have the same problems that are facing some of the other types and will want to avail ourselves of also installing an acreage-poundage marketing quota for Maryland tobacco. In order that this bill be made applicable also to Maryland tobacco, we would suggest that the authority be vested with the Secretary of Agriculture for determining average yields and for making other needed adjustments best suited to the needs of various classes of tobacco. We are also recommending that this always be a voluntary program, with the discretion being left to the grower to either accept, or reject it by their vote in a referendum and that this decision be by a two-thirds majority.

We have already discussed the needs for some flexibility. This flexibility is needed for fitting the program in with the needs caused by variations in weather and to permit the marketing of the entire stalk of tobacco. Marketing of all grades is important in order to avoid shortages of any grades of tobacco.

Thank you, Mr. Chairman.

Senator JORDAN. Thank you very much. Did you have anything to add?

Mr. DIXON. No, sir. We concur in this statement. That is sufficient.

Senator JORDAN. Senator Talmadge?

Senator TALMADGE. No questions, Mr. Chairman.

Senator JORDAN. Senator Cooper?

Senator COOPER. Thank you.

Senator JORDAN. Thank you very much. We appreciate both of you gentlemen appearing here.

Mr. Touissant, I believe you are our last witness today. Will you state your full name and whom you represent today?

STATEMENT OF WILLIAM D. TOUISSANT, NORTH CAROLINA STATE COLLEGE, RALEIGH, N.C.

Mr. TOUISSANT. I am William D. Touissant, a professor of agricultural economics at North Carolina State in Raleigh, N.C. I was a member of the Secretary's task force that made recommendations to the National Tobacco Industry Advisory Committee regarding changes in the existing program.

I think it has been apparent for some time that there was a need for some change in the control program because of production control

problems and quality problems associated with the existing program. The specifics of these problems have already been put forth quite well in previous testimony.

In my opinion, and speaking primarily now as an economist, this bill we are discussing, S. 821, would provide for production control. It would also provide the incentive to produce more usable or better quality tobacco by turning farmers' objectives from maximizing net return per acre to maximizing net returns per pound. The bill also would provide for greater production efficiency than does the present program.

Some people, I think, think of efficiency as synonymous with high yields. Yet it is well established that this is not always the case.

Furthermore, an acreage-poundage system would provide greater opportunities for mechanization in the near future and research agencies, both private and public, could be expected not to reduce their research, but to adjust their research more toward seeking ways to produce better quality tobacco at a lower cost of production. These two factors would be longer run, but their effects could be very important to the future of the Flue-cured tobacco production industry.

The bill also would provide certain insurance features as already mentioned, because of the allowance of carrying forward unused allotment. This would have a very significant effect in my opinion for disaster areas and for the very small farmer.

A question has arisen regarding whether you should have poundage controls or acreage-poundage controls. Clearly there are some advantages to a straight poundage program. These advantages are in terms of simplicity, in terms of cost, and in terms of a strict emphasis on net returns per pound.

However, I think it was the thinking of a majority of the Secretary's task force that a combination of acreage and poundage was desirable, in order to keep down the amount of potential and possibly accidental overproduction by farmers, if a program of poundage control were adopted, especially in the first year or two of the program. Farmers would have a problem of adjusting their production techniques to a new goal. However, I think they are bright enough, in my experience with them, they would do this rather rapidly.

Both poundage control and acreage-poundage control might result in not selling a small amount of tobacco presently sold under the acreage control system. However, the amount not sold would be expected to be if anything less under a combination of acreage and poundage.

Second, I think there is a feeling in the task force that the combination program is a more acceptable program to the tobacco farmer.

Now an acreage-poundage program can do the same things in terms of effects as can a poundage system. But the key to the working of a combination acreage-poundage program is the national-yield goal.

It is necessary to set this national-yield goal low enough so that the poundage part of the proposal is the part that is effective in determining how farmers act. That is the yield goal must be low enough so that quality tobacco can be produced and can be produced at about a minimum production cost per pound.

On the other hand, we don't want the goal so low that too much overproduction might be encouraged. Although we don't know the

exact yield goal to use, there are such research data that help in selecting this goal.

The 1963 and 1964 results in North Carolina on three farms in three different areas in which we planted tobacco, attempting to get different yields by starting with lower levels of cultural practices up to higher levels of production practices, resulted in yields of 1,906 pounds at the low levels compared to 2,673 pounds with the high levels.

Now this lower yield is about three-fourths of the higher yield. I think it is quite significant that we produced the tobacco under all three levels of production practices at almost identically the same cost per pound, while the tobacco produced with the 1,976-pound yield on the average over the 2 years brought 4 cents more per pound.

Now another study which was placed in the hands of the people in the Department some time ago, so they were able to study it in helping to draft a bill, shows that the production of about 1,800 pounds per acre could be achieved by using cultural practices and varieties expected to produce good quality tobacco. With these data as a background, it was the judgment of the task force that a yield in the range of 1,800 to 1,900 pounds would allow production of quality tobacco at a low production cost per pound.

I might add that the 1,850-pound level chosen is roughly 84 percent of the national average yield achieved in 1964.

Senator JORDAN. That is what percent?

Mr. TOUISSANT. About 84 percent.

Senator JORDAN. Eighty-four percent.

Mr. TOUISSANT. Now if experience would indicate that the national yield goal is too high or too low under the operation of this program, the Secretary as I understand the bill would have the authority to change this goal in future years.

One other brief comment, because I think it might be important. I would like to comment on the problem of informing our farmers on the issues regarding this program. I think that being a representative of a land-grant university, I am quite interested in this. We are already making plans, and I understand people in the other land-grant universities also, that should this bill pass, we will use the facilities of television, radio, the press, slides and other materials to do as complete a job as possible of informing the farmers as to what their allotment would be and why, how the program would work, and how they as individuals and how the whole tobacco industry would be expected to be affected.

Further, should the referendum pass, we stand ready to do all we can in helping farmers solve the new management problems which would arise with this type of a control program.

Senator JORDAN. I would like to ask a question for my information. Will tobacco make a better quality tobacco if it is spaced wider in the row, and the rows are a little wider where the sunshine can get in freely, than it will if it is planted real close both in the row and in the spacing of the rows? Does that produce a better aroma and a better flavored tobacco?

Mr. TOUISSANT. Yes, sir. I think that that is accepted by people who know about cultural practices, that people who have unusually large numbers of plants per acre or conversely very close spacing either between the rows or within the rows, do produce tobacco that is less desirable.

There are probably, however, other cultural practices presently being used, and varieties presently being used which in my opinion would have a greater effect on the quality of the tobacco than the spacing. There are, however, people who space too close in order to have high-quality tobacco; yes.

Senator JORDAN. Does proper irrigation—in other words, if you can put the water to it exactly when it ought to be put every time, does that have anything to do with the quality of the tobacco?

Mr. TOUISSANT. As far as we know from experiments, proper irrigation would not hurt the quality, and it might help.

Senator JORDAN. But if you throw a lot of liquid fertilizer in that water and force that plant to grow, does that not deteriorate the quality of the tobacco?

Mr. TOUISSANT. I think it is very clear that too much fertilizer could hurt the quality of the tobacco. However, under the present program it still pays the farmer to do this, because he is trying to get the highest net income per acre of tobacco, not per pound.

Senator JORDAN. I know that of course. That is quite true, and they do do that.

Senator Talmadge, that same thing prevails in cotton, you know where they skip row, let the sunshine in and the cotton is very much better, and the yield is higher, too. But it also produces a better trade of cotton where the sun can get in there. Did you have any questions, Senator Talmadge?

Senator TALMADGE. No questions.

Senator JORDAN. Senator Cooper?

Senator COOPER. How would the cost factor be affected by a change to poundage?

Mr. TOUISSANT. We had guessed, or you might say theorized before, that certainly as one increases the yield up to a point, you do decrease the cost of production per pound.

But as you will recognize, Senator, with the incentives of the program and the price that is being paid for tobacco, it pays a farmer to keep adding irrigation, fertilizer, additional plants, additional leaves, and other factors, fumigation, as long as he can increase the net income per acre.

Well, it can be shown that he will increase this, for example, if he can keep from being academic, by adding additional factors, as long as the cost of producing those additional pounds is less than that price that he would expect to receive, and it turns out that by doing this he can after he gets to a certain level, actually increase the cost of production per pound, when one excludes the value of the allotment of costs, he can actually increase the cost of production per pound, and do this knowingly and rightly, because he is increasing his income.

Senator COOPER. Fertilizer would be one factor.

Mr. TOUISSANT. Fertilizer is one of the biggest factors, and the other thing of course I should mention is that the labor associated with producing these high yields goes up almost with the yields.

Senator COOPER. I was going to ask about the labor.

Mr. TOUISSANT. Yes, sir.

Senator JORDAN. Did you have any further questions?

Senator COOPER. No.

Senator JORDAN. Senator Talmadge?

Senator TALMADGE. No further questions.

Senator JORDAN. Thank you very much for your testimony and for being here. So far as I know that completes the witnesses we had scheduled.

Senator TALMADGE. Mr. Chairman, before we adjourn, I think the individuals with the most vital interest in this thing are the farmers that actually produce the tobacco. We have had some very fine farmers here. They have been in quite limited numbers, however.

I think before we take action on the bill of this importance, that we ought to have some hearings in the field, and I think we might, as I understood from what one of the witnesses said yesterday, that a bill of similar scope, character, and nature has been introduced by Chairman Cooley of the House committee, and I think some field hearings were announced at that time.

I have no objection whatever to holding joint hearings, provided it is agreeable to Chairman Cooley, and I see no reason why it shouldn't be agreeable. But I think we ought to go out in the producing areas and get some farmer grassroots sentiment on this legislation before we cease our hearings.

Senator JORDAN. May I ask in that connection has anybody seen the bill that Congressman Cooley introduced? I have not.

Senator TALMADGE. Neither have I. I understood it was of the same import.

Senator JORDAN. I am told that he announced that it is the same bill, and if it is, I see no good reason why the hearings shouldn't be participated in by both.

Senator TALMADGE. I think it should be a joint hearing, yes. I don't know how the farmers in Georgia feel about this thing. I have had a few fragmentary letters on it of conflicting opinion.

I remember in the hearings in 1957 they were overwhelmingly opposed. Farmers in Florida at that time were overwhelmingly opposed. Farmers in South Carolina at that time were opposed. Farmers in North Carolina at that time were badly divided. They were divided in the State of Virginia at that time.

Of course our tobacco situation has deteriorated tremendously since that time. I think everyone agrees that some action is imperative. But I think before we determine or make an effort to try to determine what action we should take, we ought to go in the area where farmers reside, and where they produce tobacco, and give them an opportunity to be heard.

Senator JORDAN. I certainly have no objection to that, and I will take that up.

Senator TALMADGE. If you can take that up with Chairman Cooley and arrange for joint hearings, I have no objection whatever. I think that that might be advisable.

But before I would be prepared to vote on a bill of this scope and magnitude, I would want some grassroot sentiment of the farmers in Georgia.

Senator COOPER. Mr. Chairman, I would like to say this. I believe we should have a meeting to discuss the questions Senator Talmadge has raised. While it is true, as I said at the beginning of the hearing, that the immediate effect of this bill would go to Flue-cured tobacco, yet without question if it is adopted in its present form, it could be applied to burley tobacco, to dark tobacco and to any type of tobacco.

We have had testimony here in this hearing from some very distinguished Kentuckians, men who are experts in tobacco. Nevertheless, I too want to communicate with the various organizations and individuals in Kentucky who are interested in tobacco, and I do want to reserve my position to request that hearings be held in my state.

Senator JORDAN. If it is agreeable with you two and with the chairman of this committee, Mr. Ellender, I will take this up with Mr. Cooley and see what kind of arrangements can be worked out.

Senator TALMADGE. That is satisfactory with me, Mr. Chairman.

Senator JORDAN. I find here, which I had not seen, a release from Mr. Cooley. He is going to start hearings on the 11th before the Tobacco Committee. Only the officials of the Department will testify at that time. I am certain that Mr. Cooley will permit any of us who are interested to come over and sit in on those hearings.

Senator TALMADGE. We have heard those. I am not interested in hearing the Department of Agriculture further. I know what their views are. I know what the views are of every witness who has testified before this committee. But I would want the views of the fellow who produces that tobacco for sale. He is most vitally concerned.

Senator JORDAN. Here is another paragraph in this:

Chairman Cooley said that Hon. Watkins M. Abbitt, of Virginia, chairman of the Tobacco Subcommittee, will hold field hearings as quickly as arrangements can be made taking the Tobacco Subcommittee into areas where Flue-cured tobacco is produced, to receive comments and suggestions on the legislation directly from the tobacco farmers.

Senator TALMADGE. That was all I suggested. If we could work it out where it might be joint hearings, it is entirely agreeable to me. But I wouldn't want the tobacco farmers of Georgia to think that we would take action on something of this magnitude without giving them an opportunity to be heard in some area where they had a reasonable opportunity to appear.

The average tobacco farmer in Georgia has about as much resources and time to come to Washington, D.C., for a hearing as I would to go to Paris for one.

Senator JORDAN. I have two statements here to be inserted, one from the Tennessee Farm Bureau Federation, and one from the Florida Farm Bureau Federation, to be put in the record at this point. I have not read them, but they will be available in the record.

(The statements referred to follow:)

STATEMENT OF TENNESSEE FARM BUREAU FEDERATION

The delegates to the 1964 Convention of the Tennessee Farm Bureau Federation expressed their general approval of the current tobacco acreage allotment and price-support program. They further expressed a willingness to make adjustments from time to time as the supply demand situation warrants within the framework of the present program which relies upon acreage allotments as the method of adjusting supply as needed.

Measured in dollar volume of gross income, tobacco is the second most important cash crop in Tennessee. Therefore, tobacco growers are quick to become concerned about proposals affecting it.

Throughout the fall months in extended discussions in tobacco-growing sections of our State the question of alternate methods of controlling production was discussed. This extended discussion culminated in vote at the Convention of the Tennessee Farm Bureau in November 1964, which expressed firm opposition to any change in the tobacco program involving poundage quotas. County groups expressing written opinions on this subject (to the State resolutions com-

mittee in advance of the convention) opposed poundage quotas by a ratio of 8 to 1.

We quote from the official position taken by our delegates with respect to this: "Our tobacco acreage allotment and price-support program continues to be favorably accepted by tobacco growers. Although the demand-supply situation may change from time to time and result in the need for some changes in the program to meet the current needs, no major changes have been considered necessary. This is one of the things we have liked about our tobacco program, and has helped in getting grower understanding of the program.

"We remain firm in our opposition to poundage control on tobacco. We feel that adjustments needed can be made within the framework and direction of our present program."

Further meetings and other contacts with growers since November have disclosed no evidence that this point of view has changed.

Therefore, we respectfully request the committee not to approve legislation such as that provided in S. 81 which can lead to poundage quotas for different types of tobacco.

GREENVILLE, FLA., *February 8, 1965.*

Senator ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
Senate Office Building, Washington, D.C.

DEAR SENATOR ELLENDER: In behalf of our 5,892 Flue-cured tobacco-growing members, I take this method to oppose S. 821 which provides for acreage poundage controls of Flue-cured tobacco production and was introduced by Senators B. Everett Jordan and Sam J. Ervin.

This bill is based on the assumption that reduction of yields alone will improve the market desirability of Flue-cured tobacco. This assumption is not substantiated by the facts. For instance, during the 4 years 1960, 1961, 1962, and 1963 the yields of type 14 Flue-cured tobacco averaged 1,920 pounds per acre while all types of Flue-cured tobacco averaged 1,903 pounds per acre. During this period when type 14 outyielded the average of all types, this type contributed less than one-fourth as much of its production to the stabilization corporations's stocks as did the other types.

The Agricultural Adjustment Act of 1938 provides:

"TITLE 7, SECTION 1301(b)(15), USCA

"The provisions of this subchapter shall apply to each of such kinds of tobacco severally: *Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a 'kind of tobacco' if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketing thereof in order to maintain supplies in line with demand."

If the Secretary of Agriculture had complied with this provision of the act when surpluses began building up I feel sure the present surplus situation would not have developed. Had those producers who were contributing the undesirable grades of tobacco known that they would have to absorb this tobacco out of their future production they would have taken steps to correct the situation.

Flue-cured tobacco growers have already voted to take a cut of 19½ percent in their tobacco acreage allotments. It is hard to understand the wisdom of legislation to restore all of this cut except 5 percent and then limit sales to past production patterns, the same patterns under which the present surplus was accumulated. We do not feel the present surplus was the result of poor legislation, but from poor administration of good legislation. We, therefore, urge the committee to reject the bill under consideration and allow the Flue-cured tobacco industry the opportunity to control the overproduction of undesirable tobacco. This can be done without placing the farmer in a straightjacket with new legislation, by correlating more closely the support price to the market value of tobacco, and by providing more incentive for growers to grow the more desirable tobacco, by basing acreage cuts on the percent of previous tobacco placed in stabilization.

I will greatly appreciate it if you will insert this letter in the records of the hearing on this bill.

Respectfully yours,

FLORIDA FARM BUREAU FEDERATION,
E. H. FINLAYSON, *President.*

Senator JORDAN. I will take this up with Mr. Cooley probably. I will also discuss it with Senator Ellender, our chairman, and communicate with all the members of this subcommittee, and I would hope that we can work these things out, if a few more members of the subcommittee would avail themselves of the opportunity of hearing these people.

Thank you very much, and that concludes this hearing. I thank every one for being here yesterday and this morning.

(Whereupon, at 12:45 p.m., the subcommittee was recessed, to reconvene subject to call of the Chair.)

(Additional statements filed for the record are as follows:)

WASHINGTON, D.C., *February 10, 1965.*

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR SENATOR ELLENDER: We appreciate being asked to express the views of the American Farm Bureau Federation at a hearing of your committee on February 9 and 10 on S. 821, a bill that would provide for acreage-poundage marketing quotas for tobacco.

The voting delegates of the member State farm bureaus to the AFBF annual meeting have for many years opposed poundage controls on any commodity. They reaffirmed this policy at our annual meeting in December 1964. Therefore, the organization must oppose the enactment of this legislation.

Would you please make this letter a part of the hearing record on S. 821.

Sincerely yours,

AMERICAN FARM BUREAU FEDERATION,
CHARLES B. SHUMAN, *President.*

MULLINS, S.C., *February 8, 1965.*

Senator B. EVERETT JORDAN,
U.S. Senate,
Washington, D.C.:

We urge your strongest support for the tobacco poundage-acreage control bill sponsored by Senators Jordan and Ervin. We feel this bill is in best interest all tobacco growers and urge passage in time for 1965 crop.

MULLINS WAREHOUSE ASSOCIATION, INC.,
J. L. DEW, *President.*
E. D. LEWIS, *Supervisor.*

PROPOSAL NO. 1, SUBMITTED BY W. J. JOHNSON AND ELMER CROCKER,
KENLY, N.C.

We recommend:

Since any attempt to control tobacco production by the acreage method alone has resulted in continued mounting surpluses, in spite of repeated acreage cuts and since improved cultured practices and high-yielding varieties tend to offset these acreage cuts, it is estimated that the announced cut of 19.55 percent will only reduce production by 10 percent.

We, therefore, recommend that an acreage-poundage program be substituted for the present acreage control. And since a 10-percent cut of the 1964 production under an acreage-poundage program would only result in a real cut of 10 percent in the total poundage for 1965, we further recommend that if an acreage-poundage program is in effect for 1965, the cut be limited to 10 percent of the 1964 yield.

In determining individual farm poundage we recommend the following formula:

1. Give one-fourth credit for the farms poundage history, using an average of the 3 high of the past 5 years—1964, 1963, 1962, 1961, 1960.

206 ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

2. Give three-fourths credit for the high county yield of the past 3 years.

Example:

1. Individual farm production, average 3 high of last 5 years:

1964.....	2,080 lbs.	
1963.....	2,070 lbs.	
[1962.....	1,500 lbs.]	(eliminate as low year).
1961.....	2,000 lbs.	
[1960.....	1,800 lbs.]	(eliminate as low year).
6,150 lbs. divided by 3=2,050		lbs.

3. High county yield of past 3 years:

1964.....	2,400 lbs., county average.
1963.....	2,140 lbs.
1964.....	2,010 lbs.

Thus:

$\frac{1}{4}$ individual farm poundage.....	2,050 lbs.
$\frac{3}{4}$ high county yield.....	2,400 lbs.
	2,400 lbs.
	2,400 lbs.
9,250 lbs. divided by 4=2,312	
lbs.	

This example gives to this particular farm 2,312 pounds.

The purpose of this proposal is designed to improve quality as well as keep supply in line with demand. To do this, we recommend this program be rigidly enforced without privilege of overproducing and selling by paying a penalty; however, to assure each producer ample fairness as well as improved quality, we recommend an acreage increase with a limit of 0.33 (one hundreths) per acre, as the individual producer may deem feasible, and each producer be allowed to make up any or all parts of such crop due to failure or mishap the following year with a 3-year limitation. We further recommend an extensive research program begin to explore the possible other uses for tobacco and to counteract any claims designed to offset promotion, sales, and consumption.



LEGISLATIVE HISTORY

Public Law 89-12

H. R. 5721

TABLE OF CONTENTS

Index and summary of H. R. 5721	.1
Digest of Public Law 89-12	.2

INDEX AND SUMMARY OF H. R. 5721

- Jan. 28, 1965 Sen. Jordan (N. C.) introduced and discussed S. 821 which was referred to the Senate Agriculture and Forestry Committee. Print of bill and remarks of Sen. Jordan.
- Mar. 3, 1965 Rep. Cooley introduced and discussed H. R. 5721 which was referred to the House Agriculture Committee. Print of bill and remarks of Rep. Cooley.
- Mar. 9, 1965 House committee reported H. R. 5721 without amendment. H. Report No. 147. Print of bill and report.
- Mar. 16, 1965 House Rules Committee granted an open rule on H. R. 5721.
- Mar. 18, 1965 House Rules Committee reported a resolution for consideration of H. R. 5721. H. Res. 280, H. Rept. 189. Print of resolution and report.
- Mar. 23, 1965 House passed H. R. 5721 with amendment.
- Mar. 25, 1965 H. R. 5721 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.
- April 1, 1965 Senate committee voted to report H. R. 5721 with amendments.
Sen. Talmadge submitted proposed amendments.
- April 2, 1965 Senate committee reported H. R. 5721 with amendments. S. Report No. 145. Print of bill and report.
- April 5, 1965 Senate passed H. R. 5721 with amendments.
- April 6, 1965 House conferees were appointed.
- April 7, 1965 Senate conferees were appointed.
- April 8, 1965 Both Houses received and agreed to conference report. H. Rept. No. 228. Print of report.
- April 16, 1965 Approved: Public Law 89-12.

Hearing: Senate Agriculture and Forestry Committee
on S. 821; Feb. 9 and 10, 1965.

DIGEST OF PUBLIC LAW 89-12

ACREAGE-POUNDAGE TOBACCO QUOTAS.

Amends the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 to require the Secretary of Agriculture within 30 days after enactment to determine and announce the national marketing quota for flue-cured tobacco for the marketing year beginning July 1, 1965, the national average yield goal, and the national acreage allotment.

Provides that within 30 days of the Secretary's announcement, a referendum will be held among growers of flue-cured tobacco to determine whether they want acreage-poundage marketing quotas for the 1965, 1966, and 1967 crops. Provides that acreage-poundage quotas will be placed on flue-cured tobacco for three years if at least two-thirds of the voting growers approve the new controls. Provides that previously proclaimed acreage controls are to be in effect if the acreage-poundage controls are not approved.

Provides that the Secretary may conduct referendums beginning in 1966 among growers of other kinds of tobacco to see whether they want acreage-poundage controls for the next 3 years (a two-thirds majority of farmers voting being necessary for approval).

Permits growers of all kinds of tobacco to market up to 10 percent more than their poundage quotas without penalty, but any excess marketings are to be deducted from a farm's quotas in subsequent years. Burley tobacco growers can market up to 20 percent of their quotas without penalty in the first year of acreage-poundage controls and 10 percent in subsequent years.

Provides price supports on all tobacco not exceeding 110 percent of a farm's poundage marketing quota. Penalties are to be assessed on marketed tobacco exceeding 110 percent of the quota. Supports are provided on burley not exceeding 120 percent of the first year's quotas and not exceeding 110 percent in subsequent years.

IN THE SENATE OF THE UNITED STATES

January 1878

REPORT
OF THE
COMMISSIONER OF THE GENERAL LAND OFFICE
IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
MAY 1877

A BILL

TO AMEND THE ACT OF MARCH 3, 1877, ENTITLED
"AN ACT TO AMEND THE ACT OF MARCH 3, 1877,
ENTITLED 'AN ACT TO AMEND THE ACT OF MARCH 3, 1877,'
IN RELATION TO THE LANDS BELONGING TO THE UNITED STATES."

89TH CONGRESS
1ST SESSION

S. 821

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1965

Mr. JORDAN of North Carolina (for himself and Mr. ERVIN) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 is amended by adding immediately following section 316 a
5 section 317 to read as follows:

6 “ACREAGE-POUNDAGE QUOTAS

7 “SEC. 317. (a) For purposes of this section—

8 “(1) ‘National marketing quota’ for each kind of to-
9 bacco for a marketing year means the amount of the kind of
10 tobacco produced in the United States which the Secretary

1 estimates will be utilized during the marketing year in the
2 United States and will be exported during the marketing year
3 adjusted upward or downward in such amount as the Secre-
4 tary in his discretion determines is desirable for the purpose
5 of maintaining an adequate supply or for effecting an orderly
6 reduction of excessive supplies in order to achieve the policy
7 of the Act.

8 “(2) ‘National average yield goal’ for a kind of tobacco
9 means the yield per acre which on a national average basis
10 the Secretary determines will improve or insure the us-
11 ability of the tobacco and increase the net return per pound
12 to the growers. In making this determination the Secretary
13 shall give consideration to such Federal-State production re-
14 search data as he deems relevant.

15 “(3) ‘National acreage allotment’ means the acreage
16 determined by dividing the national marketing quota by the
17 national average yield goal.

18 “(4) ‘Farm acreage allotment’ for tobacco farms other
19 than new tobacco farms means the acreage allotment deter-
20 mined by adjusting uniformly the last acreage allotment
21 established for such farms so that the total of such allotments
22 is equal to the national acreage allotment less the reserve
23 provided in subsection (e) of this section but including the
24 correction of any errors from the reserve and subject to an
25 adjustment upward or downward on the basis of the farm

1 yield to reflect any adjustment in the farm marketing quota
2 for overmarketing or undermarketing and to any reductions
3 required under subsection (f) of this section.

4 “(5) The ‘county average yield’ means in the case of
5 Flue-cured tobacco the five-year average yield of tobacco per
6 acre in the county for the five consecutive years beginning
7 with the 1959 crop year as determined by the Secretary and
8 in the case of other kinds of tobacco the five-year average
9 yield of tobacco per acre in the county for the five most
10 recent crop years for which data are available.

11 “(6) (a) ‘Preliminary farm yield’ in the case of Flue-
12 cured tobacco means a farm yield per acre of tobacco deter-
13 mined by averaging the yield per acre for the three highest
14 years of the five consecutive crop years beginning with the
15 1959 crop year and adjusting such yield to: (i) 130 per
16 centum of the county average yield if the average yield so
17 computed exceeds 130 per centum of the county average
18 yield or (ii) 70 per centum of the county average yield if
19 the average yield so computed is less than 70 per centum of
20 the county average yield.

21 “(b) ‘Preliminary farm yield’ means in the case of kinds
22 of tobacco other than Flue-cured, a farm yield per acre of to-
23 bacco determined by averaging the yield per acre for such of
24 the five years used in determining the county average yield
25 as the Secretary determines to be representative and will

1 result in a fair and equitable relationship among farms. In
2 determining the preliminary farm yield, the Secretary may
3 provide maximum and minimum percentage levels in rela-
4 tion to the county average yield.

5 “(7) ‘Farm yield’ means the yield of tobacco per acre
6 for a farm determined by multiplying the preliminary farm
7 yield by a national yield factor which shall be obtained by
8 dividing the national average yield goal by a weighted na-
9 tional average yield computed by multiplying the prelimi-
10 nary farm yield for each farm by the acreage allotment
11 determined pursuant to paragraph (4) for the farm and di-
12 viding the sum of the products by the national acreage
13 allotment.

14 “(8) The ‘farm marketing quota’ for each farm for each
15 marketing year shall be the product obtained by multiplying
16 the farm yield by the acreage allotment for the farm, in-
17 creased or decreased, as the case may be, by the number of
18 pounds by which marketings of tobacco from the farm during
19 the immediately preceding marketing year, if marketing
20 quotas were in effect under the program established by this
21 section, is less than or exceeds the farm marketing quota for
22 such year: *Provided*, That the farm marketing quota for any
23 marketing year shall not be increased for undermarketing
24 by an amount in excess of the number of pounds in the farm
25 marketing quota first determined for the farm under this sec-

tion. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland, type 32 tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

“(b) Within thirty days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965 and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco, and within thirty days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning

1 July 1, 1965, July 1, 1966, and July 1, 1967, in lieu of
2 quotas on an acreage basis now in effect for those marketing
3 years. If the Secretary determines that two-thirds or more
4 of the farmers voting in the special referendum approve mar-
5 keting quotas on an acreage-poundage basis, marketing
6 quotas on an acreage-poundage basis as provided in this sec-
7 tion shall be in effect for those marketing years in lieu of the
8 marketing quotas on an acreage basis which are now in effect.

9 “(c) Whenever, during the first or second marketing
10 year of the three-year period for which marketing quotas
11 on an acreage basis are in effect for a kind of tobacco, the
12 Secretary in his discretion determines with respect to that
13 kind of tobacco that acreage-poundage quotas under this sec-
14 tion would result in a more effective marketing quota pro-
15 gram for that kind of tobacco and would facilitate the ad-
16 ministration of marketing quotas for that kind of tobacco he
17 shall in lieu of the next announcement of the amount of the
18 national marketing quota under section 312 (b) of this Act
19 determine and announce the amount of the national quota
20 for that kind of tobacco under this section of the Act and at
21 the same time announce the national acreage allotment and
22 national average yield goal and within thirty days thereafter
23 conduct a special referendum of farmers engaged in the pro-
24 duction of the kind of tobacco of the most recent crop to
25 determine whether they favor the establishment of market-

1 ing quotas on an acreage-poundage basis as provided in this
2 section for the next three marketing years. If the Secretary
3 determines that two-thirds or more of the farmers voting in
4 the special referendum approve marketing quotas on an
5 acreage-poundage basis as provided in this section quotas on
6 that basis shall be in effect for the next three marketing years
7 and the marketing quotas on an acreage basis shall cease to
8 be in effect.

9 “(d) If marketing quotas have been made effective for
10 a kind of tobacco on an acreage-poundage basis pursuant to
11 subsection (b) or (c) the Secretary shall, not later than
12 December 1 of any marketing year with respect to Flue-cured
13 tobacco, and February 1 with respect to other kinds of
14 tobacco, proclaim a national marketing quota for that kind of
15 tobacco for the next three succeeding marketing years if the
16 marketing year is the last year of three consecutive years
17 that marketing quotas previously proclaimed will be in effect.
18 The Secretary in his discretion may proclaim the quotas on
19 an acreage allotment basis or on an acreage-poundage basis
20 as provided in this section and shall conduct a referendum in
21 accordance with the provisions of section 312 (c) of this Act.
22 If more than one-third of the farmers voting oppose the
23 national marketing quotas the results shall be proclaimed
24 and the national marketing quotas so proclaimed shall not
25 be in effect. If the Secretary proclaims the quotas on an

1 acreage-poundage basis he shall determine and proclaim at
2 the same time the national marketing quota, national acreage
3 allotment, and national average yield goal for the first year
4 of the three years for which quotas are proclaimed. Notice
5 of the farm marketing quota which will be in effect for his
6 farm for the first marketing year covered by the referendum
7 shall be mailed to the farm operator, insofar as practicable,
8 prior to the holding of any special referendum under sub-
9 section (b) or (c) or a referendum on acreage-poundage
10 quotas under this subsection. The Secretary shall determine
11 and announce the national marketing quota, national acreage
12 allotment, and national average yield goal for the second and
13 third marketing years of any three-year period for which
14 national marketing quotas on an acreage-poundage basis are
15 in effect on or before the December 1 with respect to Flue-
16 cured tobacco and the February 1 with respect to other kinds
17 of tobacco immediately preceding the beginning of the
18 marketing year to which they apply. Whenever a national
19 marketing quota, national acreage allotment, and national
20 average yield goal is determined and announced the Secre-
21 tary shall provide for the determination of farm acreage
22 allotments and farm marketing quotas under the provisions
23 of this section for the crop and marketing year covered by
24 the determinations.

25 “(e) No farm acreage allotments and farm yields shall

1 be established for farms on which no tobacco was produced
2 or considered produced under applicable provisions of law
3 for the immediately preceding five years. For each market-
4 ing year that acreage-poundage quotas are in effect under
5 this section the Secretary in his discretion may establish a
6 reserve from the national acreage allotment in an amount
7 equivalent to not more than 1 per centum of the national
8 acreage allotment to be available for making corrections of
9 errors in farm acreage allotments and for establishing acreage
10 allotments for new farms which are farms on which tobacco
11 was not produced or considered produced during the im-
12 mediately preceding five years. The part of the reserve held
13 for apportionment to new farms shall be allotted on the basis
14 of land, labor, and equipment available for the production
15 of tobacco, crop-rotation practices, soil, and other physical
16 factors affecting the production of tobacco and the past
17 tobacco-producing experience of the farm operator. The
18 farm yield for any farm for which a new farm acreage allot-
19 ment is established shall be determined on the basis of avail-
20 able productivity data for the land involved and farm yields
21 for similar farms.

22 “(f) Only the provisions of the last two sentences of
23 subsection (g) of section 313 of this Act shall apply with
24 respect to acreage allotments and farm yields established

1 under this section, and the reductions required thereunder
2 shall be in addition to any other adjustments in such allot-
3 ments made pursuant to this section. The provisions of
4 the next to the last sentence of such subsection pertaining
5 to the filing of any false report with respect to the acreage
6 of tobacco grown on the farm shall also be applicable to the
7 filing of any false report with respect to the production of
8 tobacco grown on a farm for which an acreage allotment
9 and a farm yield is established as provided in this section.
10 In establishing acreage allotments and farm yields for other
11 farms owned by the owner displaced by acquisition of his
12 land by any agency, as provided in section 378 of this Act,
13 increases or decreases in such acreage allotments and farm
14 yields as provided in this section shall be made on account
15 of marketings below or in excess of the farm marketing
16 quota for the farm acquired by the agency. Acreage allot-
17 ments and farm marketing quotas determined under this sec-
18 tion may be leased under the terms and conditions contained
19 in section 316 of this Act, except that the adjustment pro-
20 vided for in the last sentence of subsection (c) of said
21 section shall be based on farm yields rather than normal
22 yields.

23 “(g) When marketing quotas under this section are in
24 effect provisions with respect to penalties for the marketing

1 of excess tobacco and the other provisions contained in
2 section 314 of the Act shall apply, except that:

3 “(1) No penalty on excess tobacco shall be due or col-
4 lected until 100 per centum of the farm marketing quota
5 for a farm (105 per centum for the first year a national
6 marketing quota established under this section is in effect
7 provided the acreage harvested from the farm is not in
8 excess of the farm acreage allotment) has been marketed,
9 but with respect to each pound of tobacco marketed in excess
10 of such percentage the full penalty rate shall be due, payable
11 and collected at the time of marketing on each pound of
12 tobacco marketed.

13 “(2) When marketing quotas established under this
14 section are in effect the provisions with respect to penalties
15 contained in the third sentence of subsection 314(a) shall
16 be revised to read: ‘If any producer falsely identifies or
17 fails to account for the disposition of any tobacco, the Secre-
18 tary may elect, in lieu of assessing and collecting penalties
19 based on actual marketings of excess tobacco, to assess a
20 penalty computed by multiplying the full penalty rate by an
21 amount of tobacco equal to 25 per centum of the farm mar-
22 keting quota plus the farm yield of the number of acres
23 harvested in excess of the farm acreage allotment and the

1 penalty in respect thereof shall be paid and remitted by
2 the producer.'

3 “(3) For the first year a marketing quota program es-
4 tablished under the provisions of this section is in effect, the
5 words ‘normal production’ where they appear in the fourth
6 sentence of subsection (a) of such section shall be read ‘farm
7 yield’ and the said fourth sentence shall otherwise be appli-
8 cable. For the second and succeeding years a program estab-
9 lished under the provisions of this section is in effect, the pro-
10 visions of subsection (a) (8) shall apply when penalties, if
11 any, on carryover tobacco are computed and the provisions
12 contained in the fourth sentence of subsection 314 (a) shall
13 not be applicable.

14 “(h) Price support under the Agricultural Act of 1949,
15 as amended, shall not be made available for tobacco sold in
16 excess of the farm marketing quota (105 per centum of the
17 farm marketing quota for the first year a national marketing
18 quota established under this section is in effect) or for any
19 tobacco harvested from a farm from which tobacco is har-
20 vested from acreage in excess of the farm acreage allotment.”

21 SEC. 2. Subsection (j) of section 313 of the Agricul-
22 tural Adjustment Act of 1938, as added by Public Law 361,
23 Eighty-fourth Congress, approved August 11, 1955, is

1 amended by inserting immediately following the language
2 “(g) hereof” whenever it appears in said subsection the lan-
3 guage “or section 317”.

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco.

By Mr. JORDAN of North Carolina and
Mr. ERYN

JANUARY 28, 1965
Read twice and referred to the Committee on
Agriculture and Forestry

drew their strength from the roots embedded in 6 inches of fertile topsoil. When the land was eroded and the roots were washed bare, the civilizations died. The United States is fully as dependent on its topsoil as were the ancient nations that rose and fell but by the time we depleted the natural resource to a point that was endangering our future we also had accumulated enough technical knowledge and political sophistication to tackle our problem intelligently. The "black dusters" and deep gullies of the 1930 decade were interpreted correctly as omens that the famine was coming. The Nation responded by offering an erosion control program on a farm-to-farm basis, then filled in the blank spots so that virtually all of the farming regions are under conservation practices.

Now there is some danger that, in the interest of economy, the Federal Government will trim its technical staff, reduce the cost-sharing provision, and cut back on its total conservation program. Under the present system, which has proved successful in the past 30 years in halting the waste of natural resources and restoring the fertility to our soil, the SCS provides technical assistance while the actual administration is under the control of local soil and water conservation districts. The districts, which are organized under charters of the various States, are composed of the landowners where the conservation work is planned and accomplished. The ASCS, which is a different Government agency, provides assistance to the landowners in carrying out the recommended and planned practices.

Under this local-State-Federal table of organization, the soil and water resources of the country have been maintained at a more-than-adequate level. The abundance of food and fiber has provided the argument that the country would be taking no chance with its future if it reduced spending in this area in order to save money for new—and perhaps more appealing—programs.

Budget Director Kermit Gordon, writing in a recent issue of *Saturday Review*, explained the situation this way:

"We need more education and better education, from the primary grades through graduate and professional schools. We should expand our job training and retraining programs for the unskilled and for those whose skills are obsolete. We must intensify the war on poverty. We need improved outdoor recreation facilities, efficient urban mass transportation, and better mental health facilities. We need to bring the benefits of medical research discoveries to more people more quickly. We should step up our attack on air and water pollution."

All these are laudable objectives and several of them are new, so far as their inclusion in Federal responsibility are concerned. Each, in its turn, can be justified on social or economic grounds and (admittedly) each has a political appeal to a specific and important group.

In the light of the growing population of the United States, the shrinking area of land suitable for farming, and the increasing market for food and fiber throughout the world, no single new facet of the Great Society can be ranked above the conservation of natural resources on the scale of pressing future needs.

Officials have not released target figures but reports from Washington hint that the budget planners hope to "save" \$20 million by reducing the technical staff of the SCS by one-third and trimming various other parts of the program. The money saved by this maneuver could pay for a considerable amount of "improved outdoor recreation facilities" but, in the long run, the country might find itself with some of the finest picnic tables in the world—and a shortage of food in the lunch basket.

A similar case could be made against the proposal to cut back on the amount and quality of certain types of agricultural research and the sometimes-heard suggestion that extension education should be curtailed.

Perhaps the most pressing problem of all is the need for a national understanding of the long-term value of conservation, research, and extension education—not just to agriculture but to the whole economy. Urban people may support a Federal-State water pollution control program enthusiastically because they understand that it can open the way to industrial development and assure ample water in the city reservoir. It may be a little harder to see that we also need to assure ourselves a continuing supply of food by saving the natural resources from which the raw materials are manufactured.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4 to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

Mr. COOPER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Beginning with line 12 page 7, it is proposed to strike out all to and including line 2, page 9, and insert in lieu thereof the following:

(c) (1) In order to carry out the purpose of this act, the Secretary may, after reasonable notice and public hearings and after consultation with the Secretary of the Interior and with other Federal agencies, with State and interstate water pollution control agencies, and with municipalities and industries involved, to obtain the views of such officer and such agencies, municipalities, and industries, prepare proposed regulations setting forth standards of water quality to be applicable to interstate waters or portions thereof.

(2) Standards of quality prescribed by regulations adopted under paragraph (1) shall be such as to protect the public health and welfare and carry into effect the purposes of this Act. In establishing such standards with respect to any waters, there shall be taken into consideration (A) the use and value of such waters for public water supplies, agricultural, industrial, and commercial use, the propagation of fish and wildlife resources, recreational purposes, and other uses of significance in the public interest, and (B) the practicability and economic feasibility of attaining such standards.

(3) Such proposed regulations shall be published in the Federal Register, and copies thereof shall be transmitted to all Federal, State, and interstate water pollution control agencies, municipalities, and industrial organizations affected. Upon request made within ninety days after publication of such proposed regulations by one or more of the States, interstate agencies, municipalities, and industrial organizations (referred to hereinafter as "interested parties") affected, the Secretary shall conduct public hearings upon such proposed regulations at a place convenient to the interested parties. In any such hearing, interested parties shall be

accorded adequate opportunity to obtain and present necessary evidence in support of their contentions, and shall be entitled to propose revisions and modifications of the proposed regulations. Upon the basis of all evidence received in any such hearing, the Secretary shall prepare and transmit to each party to the hearing his report thereon, which shall contain a full and complete statement of his findings of fact and his conclusions with respect to issues presented at the hearing. The Secretary may, thereupon, affirm, rescind or modify in whole or in part such proposed regulation.

(4) Except as otherwise specifically provided by this Act, hearings and determinations under this Act shall be made, and subject to administrative and judicial review, in accordance with the provisions of the Administrative Procedure Act.

(5) Regulations under this subsection shall become effective only if, within a reasonable time after being requested by the Secretary to do so, the appropriate States and interstate agencies have not developed standards found by the Secretary to be consistent with paragraph (2) of this subsection and applicable to such interstate waters or portions thereof.

On page 9, line 3, strike out "(5)", and insert in lieu thereof "(6)".

On page 9, line 13, strike out "(6)", and insert in lieu thereof "(7)".

Mr. COOPER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

EXTENSION OF TIME FOR FILING OF REPORT BY PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Committee on Government Operations receive an extension of time until March 1, 1965, to file a report by the Senate Permanent Subcommittee on Investigations. The report to which I refer deals with Organized Crime and the Illicit Traffic in Narcotics.

Last week a draft of this report was sent to the subcommittee members and they have not had adequate time to review and study it.

The PRESIDING OFFICER. Is there objection? The Chair hears, none, and it is so ordered.

Mr. McCLELLAN. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 68) was read, as follows:

Resolved, That the investigative authorizations provided by S. Res. 278 of the Eighty-eighth Congress are hereby continued through February 28, 1965, inclusive.

Mr. McCLELLAN. The resolution is necessitated by the fact that the resolution the Senate adopted last year will expire on Sunday, and we shall have no authority to act after that. It is not anticipated that we will get to the resolution to continue this authority until sometime later next week.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT TIME

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Montana.

Mr. MANSFIELD. I understand that the Senator from North Carolina [Mr. JORDAN] wishes to speak for about 3 minutes. I ask unanimous consent that at the conclusion of the statement to be made by the Senator from North Carolina [Mr. JORDAN], an hour be allocated to consideration of the amendment offered by the Senator from Kentucky [Mr. COOPER], 30 minutes to be under his control and 30 minutes to be under the control of the Senator in charge of the bill [Mr. MUSKIE].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ACREAGE-POUNDAGE CONTROLS FOR THE PRODUCTION OF TOBACCO

Mr. JORDAN of North Carolina. Mr. President, I appreciate the courtesy of the distinguished Senator from Kentucky [Mr. COOPER] in allowing me time to introduce a bill. It is a bill in which he is also interested because it relates to tobacco.

On behalf of myself and Senator ERVIN, I am introducing, for appropriate reference, a bill which is of vital interest to the future of our tobacco farm program.

The bill would set up the machinery under which farmers—if they so choose—could establish a combination system of acreage-poundage controls for the production of tobacco.

I would like to emphasize that the bill specifically requires that the farmers themselves—in a referendum—must approve the acreage-poundage system before it can be put into effect.

As everyone knows, the tobacco program has operated for many years as the most successful of all of our farm commodity programs, but in recent years we have come upon very grave problems. I sincerely feel that some basic adjustments need to be made in the program if it is to survive.

Those of us who represent the tobacco-producing areas of the Nation have always taken great pride in the fact that

the tobacco program has always operated at a minimum cost to the Government and at the same time has provided good income for the farmers who produce tobacco.

In recent years, we have found that acreage controls alone are not in fact effectively controlling the production of tobacco. No one is more aware of this than the growers themselves. Each year the yield per acre continues to increase in spite of repeated reductions in the number of acres planted. Despite a 10-percent reduction in the 1964 crop, yield per acre increased from 1,975 pounds in 1963 to 2,203 pounds in 1964—an increase of 11½ percent per acre—and resulted in a greater production than in 1963.

The bill which I am introducing relates specifically to flue cured tobacco, but it is written in such a way that other types of tobacco can be included in the program when the need arises.

I think the provisions of this bill have very special significance for flue cured tobacco growers who will be forced to take a 19.5 percent acreage reduction for the 1965 crop year unless a system of acreage-poundage controls is put into effect. If this bill is enacted into law and if the flue cured growers approve acreage-poundage controls, then about 14.5 percent of the 19.5 percent acreage reduction will be restored for the 1965 crop.

This would be done by putting a ceiling on the total number of pounds each farmer is permitted to sell under an acreage-poundage system.

Without going into any great detail about the formulas involved, the bill provides that each farmer would receive an acreage allotment and a poundage allotment based on the average production of his 3 highest producing years between 1959 and 1963. There are allowances made in the bill for those farmers who fall below the county average yield and provisions for those who go above the county average yield. There are also provisions in the bill for those farmers who have crop failures or for other reasons fall below their poundage quota in any one year. These provisions would permit farmers who fall below their poundage quota to add the deficit to the next year's quota.

All in all, this bill provides ways and means to set up a system which will give each farmer a fair share of the total tobacco market in terms of pounds as well as acres.

If this system is approved by the farmers, it will permit all tobacco growers to concentrate on producing high quality tobacco rather than continuing the present headlong rush to increase per acre yield each year at the cost of quality. The program will go a long way toward stabilizing the entire tobacco industry at a time when its very existence is at stake.

I fully realize that there are many and varied opinions as to how to best solve the problems facing tobacco. I am introducing this bill as a starting point and as a working draft in the hope that all of those interested in the future of tobacco can agree on a program that will once again bring stability to the tobacco producing industry.

In the past few years, the surplus stocks of tobacco have soared to volumes which are completely out of reason and which cannot be justified. This proposal offers the growers themselves an opportunity to make a choice as to the course they choose to follow in the future.

If this program is approved by the growers and put into effect this year, it will mean a savings to the U.S. Treasury of upwards of \$200 million on the 1965 crop.

This proposed program has been developed over a period of many months of hard work on the part of many leaders in the tobacco industry and it represents the thinking of leaders in every segment of the industry. I have no way of knowing what decision the growers themselves will make concerning an acreage-poundage program, but I do know that they are deeply concerned over the future of their program as it exists today. I also know they feel that some adjustments must be made if the program is to survive. I do not think—with the supply and demand situation as critical as it is—that it would be fair to deny the farmers themselves an opportunity to vote on the question of adopting an acreage-poundage system of controls.

The primary purpose of my introducing the bill is to give the growers themselves an opportunity to choose between the existing program and an acreage-poundage program, and I will respect their choice. I would like to point out that the bill as introduced calls for an approval of at least two-thirds of the growers voting in a referendum before acreage-poundage controls can be put into effect. There has been considerable discussion as to whether this figure should be two-thirds or a simple majority, and I am confident this is something that can be worked out as the Committee on Agriculture and Forestry considers the matter.

I am hoping that we can have early hearings on this bill because time is of the essence, and I sincerely feel that the farmers themselves should have an opportunity to make a choice before they begin planting their 1965 crop.

I appreciate very much the opportunity which the Senator from Kentucky has given to me to introduce the bill. As the Senator well knows, time is short if we are to accomplish anything in 1965.

Mr. COOPER. I shall be glad to study the measure, because it concerns tobacco.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 821) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, introduced by Mr. JORDAN of North Carolina (for himself and Mr. ERVIN), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution

89TH CONGRESS
1ST SESSION

H. R. 5721

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1965

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 hereinafter referred to as the "Act", is amended by adding
5 immediately following section 316 a section 317 to read
6 as follows:

7 "ACREAGE-POUNDAGE QUOTAS

8 "SEC. 317. (a) For purposes of this section—

9 "(1) 'National marketing quota' for any kind of tobacco

1 for a marketing year means the amount of the kind of
2 tobacco produced in the United States which the Secretary
3 estimates will be utilized during the marketing year in the
4 United States and will be exported during the marketing
5 year, adjusted upward or downward in such amount as the
6 Secretary, in his discretion, determines is desirable for the
7 purpose of maintaining an adequate supply or for effecting an
8 orderly reduction of excessive supplies in order to achieve the
9 policy of the Act.

10 “(2) ‘National average yield goal’ for any kind of
11 tobacco means the yield per acre which on a national average
12 basis the Secretary determines will improve or insure the
13 usability of the tobacco and increase the net return per
14 pound to the growers. In making this determination the
15 Secretary shall give consideration to such Federal-State
16 production research data as he deems relevant.

17 “(3) ‘National acreage allotment’ means the acreage
18 determined by dividing the national marketing quota by the
19 national average yield goal.

20 “(4) ‘Farm acreage allotment’ for a tobacco farm, other
21 than a new tobacco farm, means the acreage allotment deter-
22 mined by adjusting uniformly the acreage allotment estab-
23 lished for such farm for the immediately preceding year,
24 prior to any increase or decrease in such allotment due to
25 undermarketings or overmarketings and prior to any reduc-

tion under subsection (f), so that the total of all allotments is equal to the national acreage allotment less the reserve provided in subsection (e) of this section with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for overmarketing or undermarketing and to reflect any reduction required under subsection (f) of this section, and including any adjustment for errors or inequities from the reserve.

“(5) The ‘community average yield’ means for Flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the three highest years of the five years 1959 to 1963, inclusive, except that if the yield for any of the three highest years is less than 80 per centum of the average for the three years then that year or years shall be eliminated and the average of the remaining years shall be the community average yield. Community average yields for other kinds of tobacco shall be determined in like manner, except that the five most recent crop years for which data are available shall be used instead of the period 1959 to 1963.

“(6) (A) ‘Preliminary farm yield’ for Flue-cured tobacco means a farm yield per acre determined by averaging

1 the yield per acre for the three highest years of the five
2 consecutive crop years beginning with the 1959 crop year
3 except that if that average exceeds 120 per centum of the
4 community average yield the preliminary farm yield shall
5 be the sum of 75 per centum of the average of the three
6 highest years and 25 per centum of the national average
7 yield goal but not less than 120 per centum of the com-
8 munity average yield, and if the average of the three highest
9 years is less than 80 per centum of the community average
10 yield the preliminary farm yield shall be 80 per centum of
11 the community average yield. In counties where less than
12 five hundred acres of Flue-cured tobacco were allotted for
13 1964, the county may be considered as one community. If
14 Flue-cured tobacco was not produced on the farm for at
15 least three years of the five-year period the average of the
16 yields for the years in which tobacco was produced shall be
17 used instead of the three-year average. If no Flue-cured
18 tobacco was produced on the farm in the five-year period
19 but the farm is eligible for an allotment because Flue-cured
20 tobacco was considered to have been produced under appli-
21 cable provisions of law, a preliminary farm yield for the
22 farm shall be determined under regulations of the Secretary
23 taking into account preliminary farm yields of similar farms
24 in the community.

25 “(B) ‘Preliminary farm yield’ for kinds of tobacco,

1 other than Flue-cured, means a farm yield per acre deter-
2 mined in accordance with subparagraph (A) of this para-
3 graph (6) except that in lieu of the five consecutive crop
4 years beginning with 1959 the five most recent crop years
5 for which data are available for the kind of tobacco shall be
6 used. In counties where less than five hundred acres of the
7 kind of tobacco for which the determination is being made
8 were allotted in the last year of the five-year period the
9 county may be considered as one community. If tobacco of
10 the kind for which the determination is being made was not
11 produced on the farm for at least three years of the five-year
12 period, the average of the yields for the years in which the
13 kind of tobacco was produced shall be used instead of the
14 three-year average. If no tobacco of the kind for which the
15 determination is being made was produced on the farm in the
16 five-year period but the farm is eligible for an allotment be-
17 cause such tobacco was considered to have been produced
18 under applicable provisions of law, a preliminary farm yield
19 for the farm shall be determined under regulations of the
20 Secretary taking into account preliminary farm yields of
21 similar farms in the community.

22 “(7) ‘Farm yield’ means the yield of tobacco per acre
23 for a farm determined by multiplying the preliminary farm
24 yield by a national yield factor which shall be obtained by
25 dividing the national average yield goal by a weighted na-

1 tional average yield computed by multiplying the preliminary
2 farm yield for each farm by the acreage allotment deter-
3 mined pursuant to paragraph (4) for the farm prior to ad-
4 justments for overmarketing, undermarketing, or reductions
5 required under subsection (f) and dividing the sum of the
6 products by the national acreage allotment.

7 “(8) ‘Farm marketing quota’ for any farm for any mar-
8 keting year shall be the number of pounds of tobacco obtained
9 by multiplying the farm yield by the acreage allotment prior
10 to any adjustment for undermarketing or overmarketing, in-
11 creased for undermarketing or decreased for overmarketing
12 by the number of pounds by which marketings of tobacco
13 from the farm during the immediately preceding marketing
14 year, if marketing quotas were in effect under the program
15 established by this section, is less than or exceeds the farm
16 marketing quota for such year: *Provided*, That the farm
17 marketing quota for any marketing year shall not be in-
18 creased for undermarketing by an amount in excess of
19 the number of pounds determined by multiplying the
20 acreage allotment for the farm for the immediately pre-
21 ceding year prior to any increase or decrease for under-
22 marketing or overmarketing by the farm yield. If on
23 account of excess marketings in the preceding market-
24 ing year the farm marketing quota for the marketing year
25 is reduced to zero pounds without reflecting the entire

1 reduction required, the additional reduction required shall
2 be made for the subsequent marketing year or years. The
3 farm marketing quota will be increased or decreased for the
4 second succeeding marketing year in the case of Maryland
5 tobacco, and for any other kind of tobacco for which the Sec-
6 retary determines it is impracticable because of the lack of
7 adequate marketing data, to make the increases or decreases
8 applicable to the immediately succeeding marketing year.

9 “(b) Within thirty days after the enactment of this sec-
10 tion the Secretary pursuant to the provisions of subsection
11 (a) of this section shall determine and announce the amount
12 of the national marketing quota for Flue-cured tobacco for
13 the marketing year beginning July 1, 1965, and the national
14 acreage allotment and national average yield goal for the
15 1965 crop of Flue-cured tobacco, and within thirty days
16 after the announcement of the amount of such national mar-
17 keting quota shall conduct a special referendum of the
18 farmers engaged in the production of Flue-cured tobacco of
19 the 1964 crop to determine whether they favor or oppose
20 the establishment of marketing quotas on an acreage-pound-
21 age basis as provided in this section for the marketing years
22 beginning July 1, 1965, July 1, 1966, and July 1, 1967,
23 in lieu of quotas on an acreage basis in effect for those mar-
24 keting years. If the Secretary determines that more than
25 $66\frac{2}{3}$ per centum of the farmers voting in the special refer-

1 endum approve marketing quotas on an acreage-poundage
2 basis, marketing quotas on an acreage-poundage basis as
3 provided in this section shall be in effect for those marketing
4 years and the marketing quotas on an acreage basis shall
5 cease to be in effect at the beginning of such three-year
6 period.

7 “(c) Whenever, during the first or second marketing
8 year of the three-year period for which marketing quotas on
9 an acreage basis are in effect for any kind of tobacco, in-
10 cluding Flue-cured tobacco, the Secretary, in his discretion,
11 determines with respect to that kind of tobacco that acreage-
12 poundage quotas under this section would result in a more
13 effective marketing quota program for that kind of tobacco
14 he shall at the time the next announcement of the amount
15 of the national marketing quota under section 312 (b) of this
16 Act determine and announce the amount of the national
17 quota for that kind of tobacco under this section of the Act
18 and at the same time announce the national acreage allot-
19 ment and national average yield goal and within thirty days
20 thereafter conduct a special referendum of farmers engaged in
21 the production of the kind of tobacco of the most recent crop
22 to determine whether they favor the establishment of mar-
23 keting quotas on an acreage-poundage basis as provided in
24 this section for the next three marketing years. If the Sec-
25 retary determines that more than $66\frac{2}{3}$ per centum of the

1 farmers voting in the special referendum approve marketing
2 quotas on an acreage-poundage basis as provided in this sec-
3 tion, quotas on that basis shall be in effect for the next three
4 marketing years and the marketing quotas on an acreage
5 basis shall cease to be in effect at the beginning of such three-
6 year period.

7 “(d) If marketing quotas have been made effective for
8 a kind of tobacco on an acreage-poundage basis pursuant to
9 subsections (b) or (c) the Secretary shall, not later than
10 December 1 of any marketing year with respect to Flue-
11 cured tobacco, and February 1 with respect to other kinds
12 of tobacco, proclaim a national marketing quota for that kind
13 of tobacco for the next three succeeding marketing years if
14 the marketing year is the last year of three consecutive years
15 for which marketing quotas previously proclaimed will be in
16 effect. The Secretary, in his discretion, may proclaim the
17 quota on an acreage-poundage basis as provided in this sec-
18 tion or on an acreage allotment basis, whichever he deter-
19 mines would result in a more effective marketing quota for
20 that kind of tobacco, and shall conduct a referendum in ac-
21 cordance with the provisions of section 312 (c) of this Act.
22 If the Secretary determines that more than one-third of the
23 farmers voting oppose the national marketing quotas the
24 results shall be proclaimed and the national marketing quota

1 so proclaimed shall not be in effect. If the Secretary pro-
2 claims the quotas on an acreage-poundage basis he shall de-
3 termine and proclaim at the same time the national market-
4 ing quota, national acreage allotment, and national average
5 yield goal for the first year of the three years for which
6 quotas are proclaimed. Notice of the farm marketing quota
7 which will be in effect for his farm for the first marketing
8 year covered by the referendum insofar as practicable shall
9 be mailed to the farm operator prior to the holding of any
10 special referendum under subsections (b) or (c) or a refer-
11 endum on acreage-poundage quotas under this subsection.
12 The Secretary shall determine and announce the national
13 marketing quota, national acreage allotment and national
14 average yield goal for the second and third marketing years
15 of any three-year period for which national marketing quotas
16 on an acreage-poundage basis are in effect on or before the
17 December 1 with respect to Flue-cured tobacco and the Feb-
18 ruary 1 with respect to other kinds of tobacco immediately
19 preceding the beginning of the marketing year to which they
20 apply. Whenever a national marketing quota, national acre-
21 age allotment, and national average yield goal are deter-
22 mined and announced, the Secretary shall provide for the
23 determination of farm acreage allotments and farm marketing
24 quotas under the provisions of this section for the crop and
25 marketing year covered by the determinations.

1 “(e) No farm acreage allotment or farm yield shall
2 be established for a farm on which no tobacco was produced
3 or considered produced under applicable provisions of law
4 for the immediately preceding five years. For each market-
5 ing year for which acreage-poundage quotas are in effect
6 under this section the Secretary in his discretion may estab-
7 lish a reserve from the national acreage allotment in an
8 amount equivalent to not more than 1 per centum of the
9 national acreage allotment to be available for making cor-
10 rections of errors in farm acreage allotments, adjusting
11 inequities, and for establishing acreage allotments for new
12 farms, which are farms on which tobacco was not produced
13 or considered produced during the immediately preceding
14 five years. The part of the reserve held for apportionment
15 to new farms shall be allotted on the basis of land, labor,
16 and equipment available for the production of tobacco, crop
17 rotation practices, soil and other physical factors affecting
18 the production of tobacco and the past tobacco-producing
19 experience of the farm operator. The farm yield for any
20 farm for which a new farm acreage allotment is established
21 shall be determined on the basis of available productivity
22 data for the land involved and farm yields for similar farms.

23 “(f) Only the provisions of the last two sentences of
24 subsection (g) of section 313 of this Act shall apply with
25 respect to acreage-poundage programs established under this

1 section. The acreage reductions required under the last two
2 sentences shall be in addition to any other adjustments made
3 pursuant to this section, and when acreage reductions are
4 made the farm marketing quota shall be reduced to reflect
5 such reductions. The provisions of the next to the last
6 sentence of such subsection pertaining to the filing of any false
7 report with respect to the acreage of tobacco grown on the
8 farm shall also be applicable to the filing of any false report
9 with respect to the production or marketings of tobacco grown
10 on a farm for which an acreage allotment and a farm yield
11 are established as provided in this section. In establishing
12 acreage allotments and farm yields for other farms owned
13 by the owner displaced by acquisition of his land by any
14 agency, as provided in section 378 of this Act, increases or
15 decreases in such acreage allotments and farm yields as
16 provided in this section shall be made on account of market-
17 ings below or in excess of the farm marketing quota for the
18 farm acquired by the agency. Acreage allotments and farm
19 marketing quotas determined under this section may be leased
20 under the terms and conditions contained in section 316 of
21 this Act, except that (1) the adjustment provided for in the
22 last sentence of subsection (c) of said section shall be based
23 on farm yields rather than normal yields, and (2) any credit
24 for undermarketing or charge for overmarketing shall be
25 attributed to the farm to which transferred.

1 “(g) When marketing quotas under this section are in
2 effect, provisions with respect to penalties for the marketing
3 of excess tobacco and the other provisions contained in sec-
4 tion 314 of the Act shall apply, except that:

5 “(1) No penalty on excess tobacco shall be due or col-
6 lected until 110 per centum of the farm marketing quota
7 for a farm has been marketed, but with respect to each pound
8 of tobacco marketed in excess of such percentage the full
9 penalty rate shall be due, payable, and collected at the time
10 of marketing on each pound of tobacco marketed, and any
11 tobacco marketed in excess of 100 per centum of the farm
12 marketing quota will require a reduction in subsequent farm
13 marketing quotas in accordance with paragraph (a) (8) :
14 *Provided, however,* If the Secretary, in his discretion, deter-
15 mines it is desirable to encourage the marketing of grade N2
16 tobacco, or any grade of tobacco not eligible for price sup-
17 port, in order to meet the normal demands of export and
18 domestic markets, he may authorize the marketing of such
19 tobacco in a marketing year without the payment of penalty
20 or deduction from subsequent quotas to the extent of 5 per
21 centum of the farm marketing quota for the farm on which
22 the tobacco was produced.

23 “(2) When marketing quotas established under this
24 section are in effect the provisions with respect to penalties
25 contained in the third sentence of subsection 314 (a) shall

1 be revised to read: 'If any producer falsely identifies or fails
2 to account for the disposition of any tobacco, the Secretary,
3 in lieu of assessing and collecting penalties based on actual
4 marketings of excess tobacco, may elect to assess a penalty
5 computed by multiplying the full penalty rate by an amount
6 of tobacco equal to 25 per centum of the farm marketing
7 quota plus the farm yield of the number of acres harvested
8 in excess of the farm acreage allotment and the penalty in
9 respect thereof shall be paid and remitted by the producer.'

10 “(3) For the first year a marketing quota program estab-
11 lished under the provisions of this section is in effect, the
12 words ‘normal production’ where they appear in the fourth
13 sentence of subsection (a) of such section shall be read
14 ‘farm yield’ and the said fourth sentence shall otherwise be
15 applicable. For the second and succeeding years for which
16 a program established under the provisions of this section is
17 in effect, the provisions of subsection (a) (8) shall apply
18 when penalties, if any, on carryover tobacco are computed,
19 and the provisions contained in the fourth sentence of sub-
20 section 314 (a) shall not be applicable.”

21 SEC. 2. Subsection (j) of section 313 of the Agricultural
22 Adjustment Act of 1938, as added by Public Law 361, 84th
23 Congress, approved August 11, 1955, is amended by insert-
24 ing immediately following the language “(g) hereof”

1 wherever it appears in said subsection the language “or
2 section 317”.

3 SEC. 3. Section 106 of the Agricultural Act of 1949,
4 as amended, is amended by adding at the end thereof the fol-
5 lowing:

6 “(c) If acreage-poundage farm marketing quotas are in
7 effect under section 317 of the Agricultural Adjustment Act
8 of 1938, as amended, (1) price support shall not be made
9 available on tobacco marketed in excess of 110 per centum
10 of the marketing quota for the farm on which such tobacco
11 was produced, and (2) for the purpose of price-support
12 eligibility, tobacco carried over from one marketing year to
13 another to avoid marketings in excess of the farm market-
14 ing quota shall, when marketed, be considered tobacco of
15 the then current crop.”

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

By Mr. COOLEY

MARCH 3, 1965

Referred to the Committee on Agriculture

cians who were so solicitous in the pre-election days would not let us down after the election, particularly since the great majority of West Virginians dutifully voted the straight Democratic ticket.

The Acreage-Poundage Tobacco Bill, H.R. 5721

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1965

Mr. COOLEY. Mr. Speaker, the Tobacco Subcommittee of the House Committee on Agriculture today approved legislation providing for acreage-poundage marketing quotas for Flue-cured tobacco, beginning in 1965. The poundage quota program would supplant the present acreage allotment and marketing quota program, if two-thirds or more of the farmers vote for the change in a referendum.

I have called a meeting of the full Committee on Agriculture for next Tuesday, for the purpose of taking final committee action on the bill, H.R. 5721.

The Tobacco Subcommittee acted this morning after we received a letter from Secretary of Agriculture Freeman endorsing the bill as embracing the best plan yet presented for tobacco acreage-poundage quotas.

Mr. Speaker, this legislation reflects the determination of a substantial number of tobacco farmers to keep their production in line with their markets.

The tobacco program has been the most successful of all farm programs. In the 32 years we have been operating farm programs, the tobacco program has cost the Government only \$38 million, and during that time the Federal and State Governments have collected \$52 billion in taxes on tobacco and tobacco products.

In recent years, however, excessive supplies have accumulated because of substantial increases in per acre yields. Surpluses now endanger our tobacco program. Moreover, we have failed to share in the increase in the world tobacco trade.

In order to provide a more effective method of maintaining supplies in line with demand, to improve the quality of U.S. tobacco and to increase exports, many producers came forward with the suggestion that we supplement the present marketing quota program for tobacco, which is operated on an acreage basis, by the addition of farm poundage quotas.

On February 8, I introduced H.R. 4532, the acreage-poundage bill prepared by the Department at the request of a number of leading tobacco producers. Subsequently, our Tobacco Subcommittee held public hearings in Washington and in the Flue-cured tobacco producing area. We found that many farmers from the principal producing States—Virginia, North Carolina, South Carolina, Georgia, and Florida—were not satisfied with the

legislation. We received their suggestions, and now we have revised the legislation to make it more equitable for farmers.

It is our intention to complete action on the legislation as expeditiously as possible, so that the tobacco producers may have the opportunity to express themselves freely in a referendum on whether they want acreage-poundage quotas in 1965.

Mr. Speaker, when this proposal for acreage-poundage quotas first was submitted I said then it would be difficult to write a simple and equitable bill, even after our committee had done the very best it could do. The bill in its present draft is complicated, involved, and far from simple. It certainly is not perfect. Copies will be made available and I hope farmers and all others interested will study carefully all of the bill's provisions. We still are open to suggestions for any improvements in this bill that can be made prior to its final enactment.

I especially want to commend Chairman WATKINS M. ABBITT and all the members of the Tobacco Subcommittee for their dedicated work in improving and refining this acreage-poundage legislation.

Mr. Speaker, many of the Members of this body are not familiar with the acreage-poundage approach to adjusting the production of a crop to its markets. Therefore, with the indulgence of the Members, I shall discuss in some detail the provisions of the bill approved this morning by our Tobacco Subcommittee.

Under the proposed legislation, in addition to the acreage allotment, a poundage quota would be established for each farm. However, such poundage quotas would not become effective for any kind of tobacco unless they are approved by two-thirds or more of the farmers voting in a special referendum.

A preliminary farm yield, in the case of Flue-cured tobacco, would be established for each individual farm by averaging the yield per acre for that farm for the 3 highest years during the 5 years 1959–63.

A community average yield would be established for each community by averaging the yield per acre for the 3 highest years during the 5 years, 1959–1963. In counties having less than 500 acres allotted in 1964; the entire county would be considered as one community.

If the preliminary farm yield is as much as 80 percent but not more than 120 percent of the community yield, no adjustment would be made in the preliminary farm yield. This means that no adjustment will be made in the "preliminary farm yield" on more than 90 percent of the farms.

If the preliminary farm yield is less than 80 percent of the community yield, it will be adjusted upward to 80 percent of the community average yield.

If the preliminary farm yield exceeds 120 percent of the community yield, the preliminary farm yield will be adjusted downward by averaging: First, the 3-high-years' average of the farm's historical yield given a weighting of 3; second, the national average yield goal—1,854 pounds per acre—given a weight-

ing of 1; but, third, the preliminary farm yield cannot be adjusted below 120 percent of the community yield.

Under the proposed legislation, the Secretary would set a national marketing quota at about 1,125 million pounds. A quota in this amount, plus an additional quantity that may be marketed because farms would be allowed to market 10 percent over their quotas, might result in marketings in the neighborhood of 1,200 million pounds. But to the extent farms do market over their quotas in 1965, this overage will be compensated for next year by reductions in such farms' quotas next year. The expected levels of marketings under the acreage-poundage approach would allow for an orderly reduction in loan stocks.

This bill provides that the Secretary establish a national average yield goal which he determines will improve or insure the useability of the tobacco and increase the net returns per pound to the growers. On the basis of research data now available, it is estimated that the national average yield goal for Flue-cured tobacco would be 1,854 pounds per acre for 1965.

Preliminary farm yields for all farms will be weighted by the respective allotments to derive a national average yield. This weighted national average yield will be divided by the national average yield goal. The factor thus obtained will be applied uniformly to all preliminary farm yields to meet the national average yield goal. The Department estimates that this adjustment will reduce preliminary farm yields for Flue-cured tobacco from 7 to 8 percent.

A national acreage allotment will be determined by dividing the national marketing quota by the national average yield goal. This results in a national acreage allotment of 606,800 acres for flue-cured tobacco for 1965.

A national acreage factor will be determined by dividing the new 1965 national acreage allotment by the national acreage allotment currently in effect for the 1965 crop of Flue-cured tobacco—514,265 acres. This factor would be about 1.180 and would restore the 1965 farm acreage allotments to about 95 percent of the 1964 acreage allotments.

The farm acreage allotment multiplied by the farm yield gives the farm poundage quota.

The bill provides that a reserve not in excess of 1 percent of the national acreage allotment to be made available for the correction of errors, adjusting inequities and for allotment to new farms.

For future years, the bill provides that the national marketing quota will be established at an amount that is desirable to maintain an adequate supply or to affect an orderly reduction of excessive supplies.

The bill permits each farm to market 10 percent more than the farm's poundage quota without penalty, but any excess marketings will be deducted from the farm acreage allotment and poundage quota in subsequent years.

As at present, price support would be available for all farms that do not exceed their farm acreage allotments. Price support would cease to be avail-

able, however, when marketings exceed 110 percent of the poundage quota.

Mr. Speaker, I am receiving inquiries as to the principal revisions made by the Tobacco Subcommittee in the proposed legislation as originally introduced. These revisions are as follows:

The original bill provided for a county average yield, which was the simple average yield per acre in the county for the 5 years, 1959-63, for use in establishing ranges upon which adjustments would be made in preliminary farm yields. The revised bill provides for the establishment of a community average yield, which is determined by averaging the yield per acre in the community for the 3 highest years of the 5 years, 1959-63, for this purpose.

If the preliminary farm yield is as much as 80 percent and not in excess of 120 percent of the community average yield, no adjustment will be made in the preliminary farm yield. In the original bill, these limits were 70 and 130 percent of the county average yield.

If the preliminary farm yield is less than 80 percent of the community yield, it will be increased to 80 percent of the community average yield. The original bill provided that any preliminary farm yield below 70 percent of the county average yield would be increased to 70 percent of the county average yield.

If the preliminary farm yield exceeds 120 percent of the community average yield, it will be adjusted downward by averaging: First, the 3 high years' average of the farm's historical yield given a weighting of three; second, the national average yield goal—1,854 pounds per acre—given a weighting of one; but, third, the preliminary farm yield cannot be adjusted below 120 percent of the community average yield. The original bill provided that any preliminary farm yield above 120 percent of the county average yield would be reduced to 130 percent of the county average yield.

The original bill provided that each farmer could market 5 percent more than his poundage quota without penalty the first year the acreage-poundage program was in effect. Under the revised bill, each farmer can market 110 percent of his farm poundage quota in any year without penalty, but any such excess marketings will be deducted from the farm's quota for the following year.

As provided in the original bill, the acreage-poundage program could not be in effect for any kind of tobacco unless it is approved by two-thirds or more of the farmers voting in a special referendum. The Department of Agriculture has proposed that only a majority vote be required to make the acreage-poundage program effective.

Mr. Speaker, sponsors of the acreage-poundage marketing quota program for tobacco claim for it the following advantages:

First. Acreage allotments could be larger, as the poundage quotas would provide protection against excessive marketings.

Second. Each farmer could aim at producing high quality tobacco without losing part of his share in the market to other farmers who strive for the utmost production from their allotted acreages at the expense of quality.

Third. Farmers would have a new element of flexibility since they could carry over unused quotas from one year to the next.

Fourth. Sales and exports would be increased through improved quality.

Fifth. Producer income would be increased by increased sales, improved quality and lower production costs.

Sixth. Supplies of tobacco would be kept in better balance with demand with less cost to the Government.

Mr. Speaker, I am including with these remarks a copy of the letter I received from Secretary Freeman. The letter follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 3, 1965.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives

DEAR MR. CHAIRMAN: I have been apprised of the modifications the Tobacco Subcommittee has made in the proposed legislation providing for acreage-poundage marketing quotas for tobacco as a result of its public hearings and deliberations in which officials of the Department participated.

The Department appreciates the careful consideration the subcommittee has given to the suggestions which have been made for improving the acreage-poundage approach, especially those provisions relating to the establishment of farm yields and farm poundage quotas on a fair and equitable basis. We appreciate also that officials of the Department were asked to participate in the subcommittee's deliberations.

In our letter of February 4, 1965, reporting on the proposed legislation, we advised that such legislation was in accord with the recommendation contained in the President's message on agriculture. At that time, we submitted a revised draft of the proposed legislation and advised that the Department would give you and the committee its full cooperation in obtaining legislation to provide tobacco growers the opportunity to decide for themselves the type of program they desire.

The proposed legislation may not be perfect in every respect, but it has been improved as a result of the subcommittee's hearings and deliberations. These hearings and deliberations have strengthened our convictions of the need for the enactment of legislation to provide for acreage-poundage marketing quotas for the 1965 crop of Flue-cured tobacco.

The Department concurs in the modifications made by the Tobacco Subcommittee and again urges that legislation be enacted to permit growers an opportunity to decide for themselves the type of program they desire for the 1965 crop of Flue-cured tobacco.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

CHANGE OF RESIDENCE

Senators, Representatives, and Delegates who have changed their residences will please give information thereof to the Government Printing Office, that their addresses may be correctly given in the RECORD.

RECORD OFFICE AT THE CAPITOL

An office for the CONGRESSIONAL RECORD, with Mr. Raymond F. Noyes in charge, is located in room H-112, House wing, where orders will be received for subscriptions to the RECORD at \$1.50 per month or for single copies at 1 cent for eight pages (minimum charge of 3 cents). Also, orders from Members of Congress to purchase reprints from the RECORD should be processed through this office.

LAWS RELATIVE TO THE PRINTING OF DOCUMENTS

Either House may order the printing of a document not already provided for by law, but only when the same shall be accompanied by an estimate from the Public Printer as to the probable cost thereof. Any executive department, bureau, board or independent office of the Government submitting reports or documents in response to inquiries from Congress shall submit therewith an estimate of the probable cost of printing the usual number. Nothing in this section relating to estimates shall apply to reports or documents not exceeding 50 pages (U.S. Code, title 44, sec. 140, p. 1938).

Resolutions for printing extra copies, when presented to either House, shall be referred immediately to the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate, who, in making their report, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U.S. Code, title 44, sec. 133, p. 1937).

GOVERNMENT PUBLICATIONS FOR SALE

Additional copies of Government publications are offered for sale to the public by the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402, at cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized bookdealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by bookdealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government (U.S. Code, title 44, sec. 72a, Supp. 2).

CONGRESSIONAL DIRECTORY

The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expenses of such printing, the current Congressional Directory. No sale shall be made on credit (U.S. Code, title 44, sec. 150, p. 1939).

PRINTING OF CONGRESSIONAL RECORD EXTRACTS

It shall be lawful for the Public Printer to print and deliver upon the order of any Senator, Representative, or Delegate, extracts from the CONGRESSIONAL RECORD, the person ordering the same paying the cost thereof (U.S. Code, title 44, sec. 185, p. 1942).

March 9, 1961

Committee

13. CLOTURE. The Rules and Administration/submitted adverse reports on S. Res. 8, to provide that debate on any measure, motion, or other matter under consideration may be brought to a close by a majority vote of the Senators present and voting (S. Rept. 74); and S. Res. 6, to provide that debate on any measure, motion, or other matter under consideration may be brought to a close by a three-fifths vote of the Senators present and voting (S. Rept. 75). p. 4354
14. RESEARCH; SCIENCE. Sen. Bartlett urged creation of a Congressional Office of Science and Technology and inserted several items in support of his position. pp. 4419-28

HOUSE

15. TOBACCO. The Agriculture Committee reported without amendment H. R. 5721, to amend the Agricultural Adjustment Act of 1938 so as to provide for acreage-poundage marketing quotas for tobacco and to amend the tobacco price support provisions of the Agricultural Act of 1949 (H. Rept. 147). p. 4352
16. WOOL. The Agriculture Committee voted to report (but did not actually report) H. R. 5882, to extend the operation of the National Wool Act of 1954. p. D169
Rep. Findley spoke against the bill to extend the Wool Act, saying that it "authorizes...a compensatory payments program" and will "make more distant the day when U. S. wool production is on a sound competitive basis." p. 4350
17. RESEARCH. Rep. Roush discussed the geographic distribution of Federal research and development funds, saying that it is a complex picture which demands serious consideration. p. 4318
18. ELECTRIFICATION. Rep. Stalbaum stated "the availability of a dependable source of low-cost power is a vital factor in improving the social and economic condition of rural America," and inserted NRECA resolutions dealing with REA loan funds and loan policies. pp. 4318-9
Rep. Saylor called the proposed Rampart Dam project on Alaska's Yukon River "North America's most northerly, most extravagant, and most absurd hydroelectric project," and inserted an editorial, "World's Biggest Boondoggle." p. 4325-6
Received a Utah Legislature memorial urging Congress to appropriate funds so that construction on the Bonneville unit of the central Utah project can begin in fiscal year 1966. p. 4353
19. RESEARCH. Rep. Cleveland spoke in support of his bill for humane care for experimental animals used in research and inserted a newspaper article on the subject. p. 4324
Received a report from the Science and Astronautics Committee, "Report on Indirect Costs Under Federal Research Grants (H. Rept. 144). p. 4352
20. BALANCE-OF-PAYMENTS. Rep. Findley praised the "tourist-dollar exchange program" which he said he proposed in 1961 as an amendment to Public Law 480, said that "Potentially, it could be a multimillion dollar assist in our balance-of-payments problem", and inserted a newspaper article on the subject. p. 4325
21. CONSERVATION. Rep. Rooney, Pa., commended and inserted a response to the President's conservation message, "America the Beautiful--Keep It That Way." p. 4331

22. APPALACHIA. Rep. Staggers inserted an article in which the Public Works Committee chairman praised the work of Rep. Kee "for his efforts in connection with the Appalachian bill." pp. 4350-1
23. AREA REDEVELOPMENT. Received from GAO a report on the "need for basic improvement of accounting system to enable the development of adequate financial information, Area Redevelopment Administration." p. 4351

ITEMS IN APPENDIX

24. FOOD COSTS. Rep. Gathings inserted an article, "Grocerystore Bills Rise, But Not Because of Food Costs--Non-Edibles Outdistance Growth of the Population." p. A1042
25. APPALACHIA. Extension of remarks of Rep. Moeller expressing pleasure at the passage of the Appalachian bill and inserting an article explaining how it will benefit southeastern Ohio. p. A1044
26. FLOOD DAMAGE. Rep. Clausen inserted his statement before the House Public Works Committee reporting on the devastating floods that hit northern Calif. last December and January. pp. A1048-53
27. FARMERS. Rep. Rogers, Tex., inserted a constituent's letter critical of the administration's farm program and urging support of Congress in "their fight for survival." p. A1056
28. FARM LABOR. Extension of remarks of Rep. Talcott inserting an article commenting on Sen. Murphy's "maiden speech in the Senate" in which he discussed multiple aspects of the "farm labor chaos." pp. A1076-7
29. FOREIGN AID. Rep. Cohelan inserted an article, "Today and Tomorrow: Money and Foreign Policy", questioning the economic and military assistance aspects of the foreign aid program. pp. A1077-8

BILLS INTRODUCED

30. LANDS. H. R. 5984 by Rep. Aspinall, to amend sections 2275 and 2276 of the Revised Statutes, as amended, with respect to certain lands granted to the States; to Interior and Insular Affairs Committee.
31. ROADS. H. R. 5991 by Rep. Cleveland, to authorize the Secretary of Commerce to make a comprehensive study of certain future highway needs; to Public Works Committee. Remarks of author pp. 4323-4
32. FARM LABOR. H. R. 5995 by Rep. Edwards, California, to encourage the States to extend coverage under their State unemployment compensation laws to agricultural labor; to Ways and Means Committee.
33. POTATOES. H. R. 6006 by Rep. Hathaway, to prohibit trading in Irish potato futures on commodity exchanges; to Agriculture Committee.
34. ADMINISTRATIVE PROCEDURES. H. R. 6012 by Rep. King, Utah, to amend the Administrative Procedure Act, to prohibit Federal agencies from issuing prejudging public statements on pending cases; to Judiciary Committee.

Union Calendar No. 58

89TH CONGRESS } 1st Session }	HOUSE OF REPRESENTATIVES }	REPORT No. 147 }
----------------------------------	----------------------------	---------------------

TOBACCO ACREAGE-POUNDAGE MARKETING QUOTAS

MARCH 9, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 5721]

The Committee on Agriculture, to whom was referred the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price-support provisions of the Agricultural Act of 1949, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The tobacco program has been the most successful of all farm programs. In the 32-year history of Government farm programs, the tobacco program has cost only \$38 million. And during these 32 years Federal and State Governments have collected \$52 billion in taxes on tobacco and tobacco products.

In recent years, however, excessive supplies have accumulated because of dramatic increases in the per acre yields of tobacco. Surpluses now endanger the tobacco program.

Moreover, the United States has failed to share in the increase in world tobacco trade.

In order to provide a more effective method of maintaining supplies in line with demand, to improve the quality of U.S. tobacco and to increase exports, H.R. 5721 would supplement the present acreage allotment program for Flue-cured tobacco by the addition of farm poundage quotas.

BRIEF EXPLANATION OF H.R. 5721

Farm poundage quotas would be established for all farms where Flue-cured tobacco is grown, beginning with the 1965 crop, if two-thirds or more of producers voting approve the shift from the present acreage to an acreage-poundage supply adjustment in a special referendum.

For more than 90 percent of the Flue-cured tobacco producers, the average yields of their 3 best years in the 5 years 1959-63 would become the base upon which poundage quotas would be computed. Those with average yields below 80 percent of the average of their township or other community divisions would have their base raised to 80 percent of the average community yield. Those producers with average yields of more than 120 percent of the community yield would be given a base equal to three-fourths of their average farm yield plus one-fourth of the national yield goal of around 1,854 pounds, but in no event would these higher producers be brought down below 120 percent of the community yield average.

A poundage quota then would be established for each farm by multiplying this yield by the farm's acreage allotment, and then reducing this figure by a percentage (estimated at 7 or 8 percent) sufficient to bring overall tobacco production to a level that would reduce the current Flue-cured tobacco surplus—now estimated to be in excess of 600 million pounds—by about 100 million pounds a year.

Special provision is made to give the poundage program flexibility, by producers being able to market more or less than their quotas in one year and have their quotas for the following year adjusted accordingly. This will protect farmers who suffer a crop disaster or overproduce because of favorable growing conditions, in any year.

This bill would restore Flue-cured acreage allotments to 95 percent of the 1964 allotments, wiping out most of the 19.5 percent acreage cut already announced for 1965, with the limit placed upon the poundage that may be marketed from this larger acreage.

While this bill is intended at this time to deal with the problems of Flue-cured tobacco producers, it provides that other kinds of tobacco may be brought into an acreage-poundage program, if the Secretary of Agriculture determines that this program would result in more effective production adjustments, and if two-thirds or more of the producers of any other kind of tobacco, voting in a referendum, approve a shift to acreage-poundage quotas.

BROAD SUPPORT FOR PROGRAM

The shift from acreage to acreage-poundage management of Flue-cured tobacco production has wide general support among producers. The tobacco program has been the difference between economic prostration and prosperity for these farmers, and they have been willing to make any sacrifice in years past, through severe acreage reductions, to protect this program.

However, while the general principle of poundage controls is broadly accepted, there are differences among producers on the method of establishing the poundage base for each farm.

At the next meeting of the House, after receipt of the President's farm message, the chairman of the Committee on Agriculture introduced H.R. 4532, the first acreage-poundage bill prepared by the

Department of Agriculture at the request of a substantial number of tobacco producers and others in the tobacco industry. Subsequently, the Tobacco Subcommittee held public hearings in Washington and in the Flue-cured tobacco producing area. The subcommittee found that many farmers from the principal producing States—Virginia, North Carolina, South Carolina, Georgia, and Florida—were not satisfied with the legislation. The subcommittee received their suggestions, and revised the legislation in the purpose of making it more equitable to producers. H.R. 5721 embraces the revisions and refinements written by the subcommittee.

When the proposal for acreage-poundage quotas first was submitted it was certain then that writing a simple and equitable bill would be very difficult, even after the Committee on Agriculture had done the very best it could. The bill in its present form is far from simple. It represents the committee's best effort in the time at hand, in our determination to bring this legislation to enactment in time for poundage quotas to be applied to the 1965 Flue-cured crop, if producers so approve.

H.R. 5721 was endorsed by the Secretary of Agriculture, in a letter to the chairman of the Committee on Agriculture, dated March 3, as embracing the best plan yet presented for acreage-poundage quotas.

As we gain experience in the operation through poundage quotas, we certainly shall be able to improve this program by perfecting legislation in the years ahead.

WHY 1965?

A substantial number of farmers, while approving the poundage approach to supply adjustment, oppose the poundage program for 1965. They contend that planning for the 1965 crop of tobacco, including land leases, tenant arrangements, and production materials, is too far advanced, and this would impose hardships upon many producers.

On the other hand, those pressing for inauguration of the poundage program in 1965 stress that under the current acreage allotment program, with the continued explosion of per acre yields, new tons of tobacco will be piled upon the present surplus heap, making immensely more difficult any shift to a poundage program in the future.

It has been the determination of the Committee on Agriculture from the outset to bring forward promptly an acreage-poundage bill, providing for a referendum in which farmers may freely make the decision for themselves.

H.R. 5721 NOT THE ULTIMATE ANSWER

While this legislation proposes to protect the integrity of the tobacco program in the immediate years ahead, the committee does not deem it to be the ultimate answer for the tobacco producer. The tobacco farmer needs and must have broader markets, and these markets can be found in export.

The fortunes of American tobacco in the future as in the past, will lie largely across the seas.

America and the tobacco industry grew up together. Tobacco was the economic base of the colonies that gained early footholds in the New World. The world learned about tobacco from the American

Indian. Jamestown, the first permanent English settlement in America, was the world's first tobacco export market.

Tobacco exports and domestic excises maintained the financial integrity of our Nation before the world during this Nation's formative years.

Our tobacco has been the hallmark of quality throughout the world. The reputation of our tobacco has enabled America to hold a dominant position in world markets for 350 years. Consumers around the world have demanded tobacco products containing high percentages of U.S. leaf with its characteristic flavor and aroma. The high quality of American tobacco has reflected the extremely advantageous conditions under which tobacco is produced in the United States.

We have the soil, climate, and good farmers with know-how to grow tobacco that is equaled in quality nowhere else in the world.

Nevertheless, our superior quality leaf, while maintaining its established volume in export, has not shared in the increased markets for tobacco around the world. Tobaccos of lower quality, produced in other areas of the world and offered at prices much below the American price, have moved into the expanding world markets.

Steps must be taken to make American tobacco more competitive around the world.

A PROPOSAL FOR TOBACCO'S FUTURE

On January 6, the chairman of the Committee on Agriculture wrote to the President proposing that, of the billions of dollars collected through tobacco excises, the Federal Government plow back 1 cent of the 8-cent-a-pack levy upon cigarettes, in programs to increase America's share of foreign tobacco markets, to maintain the stability and prosperity of tobacco producers, and to undertake research in the field of smoking and health.

This proposal was discussed before the Tobacco Subcommittee during its hearings on the legislation presented by this report. The Under Secretary of Agriculture, Hon. Charles S. Murphy, made a statement before the subcommittee giving this proposal his enthusiastic endorsement.

So that the Members of the House may be aware of this proposal, during the consideration of H.R. 5721, the chairman's letter to the President is made a part of this report. The letter follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C., January 6, 1965.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I commend your recommendation, presented in the state of the Union message, that family purchasing power be strengthened by a substantial cut in Federal excise taxes. Such an adjustment should contribute in a very sound and solid way to a growing economy and a strong Nation.

You did not set forth, in your message, what precise excises you want reduced; but the press on December 27, 1964, reported that you would ask the Congress to repeal or cut all these levies except those upon tobacco products, alcoholic beverages, and highway use.

The tobacco tax is one of the oldest levies in our revenue system. Perhaps no tax is felt by a greater number of our citizens, from the tobacco producer, through workers in manufacturing plants, on to the user of tobacco products. Therefore, I respectfully submit a suggestion with respect to this tax, embraced in the context of these facts:

(1) Since 1933, when the tobacco program and other farm programs first were inaugurated, Federal and State Governments have collected \$52,019 million in excise taxes upon tobacco and tobacco products—the Federal Government \$39,431 million and State governments \$12,588 million.

(2) The \$39 billion from Federal tobacco collections alone during this 32-year period are substantially more than twice the grand total of \$15,026 million expended by the Government through the Commodity Credit Corporation on all farm price-support programs for all crops since these programs were inaugurated. The Federal tobacco levies have yielded more money than the combined costs of all these farm price-support programs and the food-for-peace program through which this country has invested \$12,486 million to lessen hunger among friendly peoples around the world.

(3) While \$52 billion has been collected in tobacco excises by Federal and State Governments, the cost of the tobacco program, which has protected the income of tobacco farmers since 1933, has been only \$38 million.

(4) Meanwhile, during these 32 years, our tobacco and tobacco product exports—without any export subsidy—have amounted to \$10 billion, contributing substantially to our Nation's balance of payments with other countries. In this connection, it might be well to mention that during the first 100 years of our history as a nation it was the export of tobacco and cotton that maintained America's financial integrity before the world.

(5) Tobacco is an \$8 billion industry in the United States. Hundreds of thousands of farm families in 21 States are engaged in the growing of tobacco. There are some 550 plants, employing approximately 100,000 workers in 30 States, engaged in the manufacture of tobacco products. Approximately 1,500,000 businesses with many hundreds of thousands of workers are in the tobacco trade.

(6) The \$3 billion-plus now collected annually by Federal and State Governments from tobacco levies amounts to more than twice the income farmers actually receive each year for all the tobacco they produce. The total of these excises is 10 times the profits, after taxes, of all cigarette and other tobacco manufacturers.

(7) During the Korean conflict, the Federal excise on cigarettes was increased from \$3.50 to \$4 per 1,000 cigarettes—or from 7 to 8 cents per pack. Under the revenue law approved October 20, 1951, the cigarette levy was to have reverted to \$3.50 at the termination of the Korean hostilities; but the reversion to the prewar rate has been postponed year after year. Under the law, unless there is further legislation, the cigarette excise will drop back to \$3.50 per 1,000 on July 1, 1965.

(8) In recent years, great increases have been attained in the per-acre yield of tobacco on our farms so that, despite severe restrictions upon acreage devoted to this crop, surpluses have accumulated and now endanger the operations of the tobacco price stabilization program. This program has been the most successful of all farm programs in protecting and improving, at the least cost, the incomes and

standard of living of those farm families engaged in the production of a crop. Coincident with the increasing per-acre yields of tobacco in the United States, other areas of the world have developed and expanded tobacco culture, and now are competing in world markets which have been dominated by our tobacco since Colonial times. The quality of our tobacco is superior to any produced anywhere else in the world, and is preferred in world markets, but price competition has become intense. The severity of this competition can be measured by the fact that in 1963 the average export price of Flue-cured (cigarette type) tobacco was: United States, 82.1 cents; Canada, 71.7 cents; Rhodesia-Nyasaland, 63.3 cents; and India, 36.1 cents. The world price competition has been much more severe in 1964, but average export prices for this year are not yet available. Our tobacco has been able to hold markets where superior quality is required, but the price cutting by other exporting areas now is being severely felt.

(9) The soundness of our tobacco economy, its ability to yield revenues to our Federal and State Governments, its contribution to the Nation's balance of payments, the continuation of the tobacco program that has meant so much to the many thousands of farm families producing tobacco, all rest in a substantial way upon the holding and expansion of our foreign markets for tobacco. The export of tobacco is a proper concern of our Government in the interest of our Nation.

(10) New problems for tobacco developed early this year in the report of the Advisory Committee to the Surgeon General on smoking and health.

Now, therefore, in the light of the foregoing, I respectfully petition your serious and careful consideration of a recommendation which I have arrived at after the most searching deliberation.

If it is your judgment that the excise on cigarettes not be reduced from \$4 to \$3.50 per 1,000, as now is scheduled to occur on July 1, 1965, then let us by appropriate legislation assign an amount of money equal to the proceeds from the 50 cents difference between the \$3.50 and \$4 levy for these specific purposes:

(a) To enable and promote the export and marketing of American tobacco around the world;

(b) To bear all costs of the tobacco price stabilization program;

(c) To finance research and inquiry into smoking and health.

This proposal in effect would assign 1 cent of the 8-cents-a-pack levy on cigarettes—or about \$250 million annually—to the above specified purposes.

Mr. President, since Federal and State Governments are collecting annually on tobacco products three times as much money as our farmers actually receive each year for their total tobacco crop, this proposition of plowing back a portion of the Federal excise collections makes sense to me.

It will make the tobacco price stabilization program self-sustaining, as the sugar program now is self-sustaining through a special sugar levy.

It will make certain that American tobacco will remain supreme in the tobacco markets of the world, thereby guaranteeing the continued effectiveness of our tobacco price stabilization program and decent incomes for those many thousands of American who produce tobacco.

It will assure proper and effective concern for the health of all Americans who use tobacco.

Moreover, it is my conviction that in going this route our Federal and State Governments in the long run will derive even greater revenues from tobacco, and tobacco's contribution to America's critical balance of payments with other nations will be greatly enlarged.

With high esteem and warm personal regards, I am,

Sincerely yours,

(S) HAROLD D. COOLEY, *Chairman.*

DETAILS ON ACREAGE-POUNDAGE PROGRAM

A detailed statement on the operation of the acreage-poundage program as provided in this legislation has been prepared by the Department of Agriculture. The Department's statement follows:

Under the proposed legislation, in addition to the present acreage allotment, a poundage quota would be established for each farm. Under this legislation, however, poundage quotas would not become effective for any kind of tobacco unless they were approved by two-thirds or more of the farmers voting in a special referendum.

A "preliminary farm yield," in the case of Flue-cured tobacco, would be established for each individual farm by averaging the yield per acre for that farm for the 3 highest years during the 5 years, 1959-63.

A "community average yield" would be established for each community by averaging the yield per acre for the 3 highest years during the 5 years, 1959-63. In counties having less than 500 acres allotted in 1964, the entire county will be considered as one community.

If the "preliminary farm yield" is as much as 80 percent and not in excess of 120 percent of the community yield, no adjustment would be made in the "preliminary farm yield."

If the "preliminary farm yield" is less than 80 percent of the community yield, it will be adjusted upward to 80 percent of the community average yield.

If the "preliminary farm yield" exceeds 120 percent of the community yield, the "preliminary farm yield" will be adjusted downward by averaging (a) the 3 high years' average of the farm's historical yield given a weighting of three; (b) the national average yield goal (1,854 pounds per acre) given a weighting of one; but (c) the "preliminary farm yield" cannot be adjusted below 120 percent of the community yield.

Under the proposed legislation, the Secretary would set a national marketing quota at about 1,125 million pounds. A quota in this amount, plus an additional quantity that may be marketed because farms would be allowed to market 10 percent over their quotas, might result in marketings in the neighborhood of 1,200 million pounds. But to the extent farms do market over their quotas in 1965, this overage will be compensated for next year by reductions in such farms' quotas next year. The expected levels of marketings under the acreage-poundage approach would allow for an orderly reduction in loan stocks.

This bill provides that the Secretary will establish a "national average yield goal" which he determines will improve or insure the usability of the tobacco and increase the net returns per pound to the growers. On the basis of research data now available, it is estimated that the national average yield goal for Flue-cured tobacco would be 1,854 pounds per acre for 1965.

"Preliminary farm yields" for all farms will be weighted by the respective allotments to derive a national average yield. This weighted national average yield will be divided into the "national average yield goal." The factor thus obtained will be applied uniformly to all "preliminary farm yields" to meet the "national average yield goal." The Department estimates that this adjustment will reduce "preliminary farm yields" for Flue-cured tobacco from 7 to 10 percent.

A national acreage allotment will be determined by dividing the national marketing quota by the national average yield goal. This results in a national acreage allotment of 606,800 acres for Flue-cured tobacco for 1965.

A national acreage factor will be determined by dividing the new 1965 national acreage allotment by the national acreage allotment currently in effect for the 1965 crop of Flue-cured tobacco—514,265 acres. This factor would be about 1.180 and would restore the 1965 farm acreage allotments to about 95 percent of the 1964 acreage allotments.

The farm acreage allotment multiplied by the farm yield gives the farm poundage quota.

The bill provides that a reserve not in excess of 1 percent of the national acreage allotment to be made available for the correction of errors, adjusting inequities and for allotment to "new" farms.

For future years, the bill provides that the national marketing quota will be established at an amount that is desirable to maintain an adequate supply or to affect an orderly reduction of excessive supplies.

The bill permits each farm to market 10 percent more than the farm's poundage quota without penalty, but any excess marketings will be deducted from the farm acreage allotment and poundage quota in subsequent years.

As at present, price support would be available for all farms that do not exceed their farm acreage allotments. Price support would cease to be available, however, when marketings exceed 110 percent of the farm's poundage quota.

Acreage-poundage marketing quotas for tobacco would have the following advantages:

- (1) Acreage allotments could be larger, as the poundage quotas would provide protection against excessive marketings.

- (2) Each farmer could aim at producing high-quality tobacco without losing part of his share in the market to other farmers who strive for the utmost production from their allotted acreages at the expense of quality.

(3) Farmers would have a new element of flexibility since they could carry over unused quotas from one year to the next.

(4) Sales and exports would be increased through improved quality.

(5) Producer income would be increased by increased sales, improved quality and lower production costs.

(6) Supplies of tobacco would be kept in better balance with demand with less cost to the Government.

DEPARTMENT APPROVAL

Prior to the introduction of the first acreage-poundage bill (H.R. 4532 which preceded H.R. 5721), the chairman requested an expression from the Department of Agriculture on the proposed legislation. The Department's response, by Under Secretary Murphy, follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 4, 1965.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. CHAIRMAN: This is in reply to your letter of January 26, 1965, requesting our views on a proposed bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco.

This Department recommends that legislation of this nature be passed.

The proposed bill provides for supplementing the present marketing quota program for tobacco which is operated on an acreage basis by the addition of farm poundage quotas. The present acreage allotment program for tobacco has been effective over the years in maintaining stable supplies with favorable prices to growers at minimum cost to the Government. However, due to substantial increases in per acre yields in recent years, excessive supplies have accumulated. For example Flue-cured tobacco yields acreaged 1,509 pounds per acre during the 5 years, 1954-58, but reached an alltime high of 2,203 pounds per acre in 1964. Likewise, burley tobacco yields increased from a 5-year average of 1,579 pounds per acre in 1954-58 to a record 2,231 pounds per acre in 1963. Research data and the records of individual farm marketings which are maintained in our county ASCS offices show that further increases in per acre yields are readily obtainable. With the reductions made in farm acreage allotments for 1965, it is expected that growers will make greater efforts to increase yields which will necessitate further reductions in acreage allotments in the years ahead. This spiral will inevitably result in further deterioration of quality and further loss of our export markets.

The proposed bill provides that within 30 days after its enactment, the Secretary shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco. The bill provides further that within 30 days after such announcement, the Secretary shall conduct a special referendum of the farmers

engaged in the production of the 1964 crop of Flue-cured tobacco to determine whether they favor or oppose the establishment of farm marketing quotas on an acreage-poundage basis as provided in the bill for the 3 marketing years beginning July 1, 1965, in lieu of quotas on an acreage basis in effect for those marketing years. If more than 50 percent of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in the bill will be in effect for those marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such 3-year period.

The proposed bill provides also that whenever during the first or second year of a 3-year period for which marketing quotas on an acreage basis are in effect for a kind of tobacco, including Flue-cured, the Secretary determines with respect to that kind of tobacco that acreage-poundage quotas would result in a more effective marketing quota program for that kind of tobacco, he shall at the time of the next announcement of the amount of the national marketing quota under the present acreage allotment program determine and announce the amount of the national quota for the kind of tobacco involved as provided in the bill and at the same time announce the national-acreage allotment and national average yield goal and within 30 days thereafter, conduct a special referendum to determine whether growers of the kind of tobacco involved favor the establishment of marketing quotas on an acreage-poundage basis as provided in the bill for the next 3 marketing years.

The proposed bill is in accordance with the recommendation on this subject in the President's message on agriculture, and this Department recommends its enactment, with certain amendments indicated below. We believe that it is urgently necessary to revise the present production and price stabilization programs for tobacco to provide more effective supply adjustment, expansion of exports through improvement of quality and a reduction in costs to the Government.

A revised draft of the proposed bill is enclosed. The principal changes relate to "county average yield" and "preliminary farm yield" for kinds of tobacco other than Flue-cured. These changes have been made on the basis of discussions with farm leaders and Members of the Congress. There has been some discussion with respect to increasing the percentage of favorable votes cast in the special referendum from more than one-half to two-thirds of the growers voting. Since 96.5 percent of the growers voting have approved marketing quotas for the next three crops of Flue-cured tobacco and since the special referendum would in no way change that basic decision to have marketing quotas, it is our view that a majority of growers voting in the special referendum should determine whether the program should be on an acreage or an acreage-poundage basis.

The Department will give you and the committee its full cooperation in obtaining legislation to provide tobacco growers the opportunity to decide for themselves the type of program they desire.

An acreage-poundage program will result in substantial savings in Government funds since it will be more effective in maintaining supplies in line with demand, thus enabling the disposition of loan stocks with minimum losses.

The President's message on agriculture also recommends that consideration be given to other revisions in the tobacco program to make

American tobacco more competitive in world markets. If the Congress wishes to make the acreage-poundage choice contemplated by the proposed bill available for tobacco growers for the 1965 crop, we would suggest that the Congress give prompt consideration to legislation revising this aspect of the program without awaiting the consideration of other matters.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

CHARLES S. MURPHY, *Under Secretary.*

Principal changes in the original bill, which were embraced in the new bill H.R. 5721, presented by this report, are as follows:

The original bill provided for a county average yield, which was the simple average yield per acre in the county for the 5 years, 1959-63, for use in establishing ranges upon which adjustments would be made in preliminary farm yields. The revised bill provides for the establishment of a community average yield, which is determined by averaging the yield per acre in the community for the 3 highest years of the 5 years, 1959-63, for this purpose.

If the preliminary farm yield is as much as 80 percent and not in excess of 120 percent of the community average yield, no adjustment will be made in the preliminary farm yield. In the original bill, these limits were 70 and 130 percent of the county average yield.

If the preliminary farm yield is less than 80 percent of the community yield, it will be increased to 80 percent of the community average yield. The original bill provided that any preliminary farm yield below 70 percent of the county average yield would be increased to 70 percent of the county average yield.

If the preliminary farm yield exceeds 120 percent of the community average yield, it will be adjusted downward by averaging: First, the 3 high years' average of the farm's historical yield given a weighting of three; second, the national average yield goal—1,854 pounds per acre—given a weighting of one; but, third, the preliminary farm yield cannot be adjusted below 120 percent of the community average yield. The original bill provided that any preliminary farm yield above 120 percent of the county average yield would be reduced to 130 percent of the county average yield.

The original bill provided that each farmer could market 5 percent more than his poundage quota without penalty the first year the acreage-poundage program was in effect. Under the revised bill, each farmer can market 110 percent of his farm poundage quota in any year without penalty, but any such excess marketings will be deducted from the farm's quota for the following year.

As provided in the original bill, the acreage-poundage program could not be in effect for any kind of tobacco unless it is approved by two-thirds or more of the farmers voting in a special referendum. The Department of Agriculture has proposed that only a majority vote be required to make the acreage-poundage program effective.

The letter from Secretary Freeman approving H.R. 5721:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 3, 1965.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: I have been apprised of the modifications the Tobacco Subcommittee has made in the proposed legislation providing for acreage-poundage marketing quotas for tobacco as a result of its public hearings and deliberations in which officials of the Department participated.

The Department appreciates the careful consideration the subcommittee has given to the suggestions which have been made for improving the acreage-poundage approach, especially those provisions relating to the establishment of farm yields and farm poundage quotas on a fair and equitable basis. We appreciate also that officials of the Department were asked to participate in the subcommittee's deliberations.

In our letter of February 4, 1965, reporting on the proposed legislation, we advised that such legislation was in accord with the recommendation contained in the President's message on agriculture. At that time, we submitted a revised draft of the proposed legislation and advised that the Department would give you and the committee its full cooperation in obtaining legislation to provide tobacco growers the opportunity to decide for themselves the type of program they desire.

The proposed legislation may not be perfect in every respect, but it has been improved as a result of the subcommittee's hearings and deliberations. These hearings and deliberations have strengthened our convictions of the need for the enactment of legislation to provide for acreage-poundage marketing quotas for the 1965 crop of Flue-cured tobacco.

The Department concurs in the modifications made by the Tobacco Subcommittee and again urges that legislation be enacted to permit growers an opportunity to decide for themselves the type of program they desire for the 1965 crop of Flue-cured tobacco.

Sincerely,

ORVILLE L. FREEMAN, *Secretary.*

SECTION-BY-SECTION ANALYSIS

Section 1. Section 1 adds a new section 317 to the Agricultural Adjustment Act of 1938, as amended. An analysis of section 317 follows:

Subsection (a) contains the definitions of "national marketing quota," "national average yield goal," "national acreage allotment," "farm acreage allotment," "community average yield," "preliminary farm yield," "farm yield," and "farm marketing quota." These definitions are necessary because some of the terms have not been heretofore used in the act and other terms have a different meaning under the program provided for in section 317 than they have under the tobacco programs now provided for in the act.

Subsection (b) is designed to give Flue-cured tobacco growers an opportunity to vote on acreage-poundage quotas for 3 years beginning

with the 1965 crop. The Secretary would be required within 30 days after the enactment of the bill into law to determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco in accordance with the provisions of this section. Within 30 days after the announcement of the national marketing quota the Secretary would be required to conduct a special referendum of farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in section 317 for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967. If the Secretary determines that more than 66⅔ percent of the farmers voting in the special referendum approve marketing quotas on acreage-poundage basis then marketing quotas on an acreage-poundage basis would be in effect for the 3 marketing years and the marketing quotas for Flue-cured tobacco which are now in effect on an acreage basis would cease to be in effect beginning on July 1, 1965. If the Secretary determines that marketing quotas on an acreage-poundage basis were not approved by more than 66⅔ percent of the farmers voting in the special referendum, then no quotas on an acreage-poundage basis would be in effect and the marketing quotas on an acreage basis which have been previously proclaimed and received producer-approval would remain in effect.

Subsection (c) contains the provisions for making effective marketing quotas for 3 marketing years on an acreage-poundage basis for any kind of tobacco, including Flue-cured tobacco. The Secretary can only proceed under the provisions of subsection (c) during the first or second marketing year of the 3-year period for which marketing quotas on an acreage basis are in effect for the kind of tobacco under consideration. It is the purpose of this provision to not leave the tobacco grower without a program if acreage-poundage quotas are not approved. If the Secretary, in his discretion, determines that acreage-poundage quotas under section 317 would result in a more effective marketing quota program for the kind of tobacco under consideration he shall, at the time of the next announcement of the amount of the national marketing quota under section 312(b) of the act, also determine and announce the amount of the national quota for the kind of tobacco under the provisions of section 317 and at the same time announce the national acreage allotment and national average yield goal. Within 30 days thereafter he would conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop, in order to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis for the next 3 marketing years. If the Secretary determines that more than 66⅔ percent of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, quotas on that basis will be in effect for the next 3 marketing years and marketing quotas on an acreage basis shall cease to be in effect at the beginning of the first marketing year of the 3-year period. However, if he determines that the required number of farmers do not favor quotas on an acreage-poundage basis the marketing quotas on an acreage basis which have been proclaimed and received the requisite farmer approval will not be affected.

Subsection (d) provides for the procedure to be followed if marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis. In the last year of the 3-year period the Secretary would proclaim a marketing quota for the next 3 succeeding marketing years and, in his discretion, would proclaim it either on an acreage-poundage basis or an acreage allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco. A referendum would then be conducted under the provisions of section 312(c) of the act and if the Secretary determined that more than one-third of the farmers voting opposed national marketing quotas, the national marketing quota so proclaimed would not be in effect. No marketing quotas of any kind would be in effect for the ensuing marketing year. However, marketing quotas on an acreage basis could be proclaimed in the ensuing marketing year for the 3 marketing years following the ensuing marketing year under the provisions of section 312(a)(4).

Subsection (e) provides that no farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding 5 years. However, provision is made for a reserve of 1 percent or less of the national acreage allotment to be available for making corrections of errors in farm acreage, adjusting inequities and for establishing acreage allotments for new farms which are farms on which tobacco was not produced or considered produced during the immediately preceding 5 years.

Subsection (f) provides that only the last two sentences of subsection (g) of section 313 of the act will apply to acreage-poundage programs. These two sentences contain provisions relating to false identification in the marketing of tobacco, the filing of false acreage reports, and the double cropping of tobacco. The provision with respect to filing false acreage reports is made applicable to the filing of false production or marketing reports. The subsection also provides that in transferring allotments under the eminent domain provisions of section 378 of the act increases or decreases in acreage allotments and farm yields on account of marketings below or in excess of the farm marketing quota for the farm acquired by the eminent domain agency will be taken into account. The leasing provisions of section 316 of the act are made applicable to the acreage-poundage program except that adjustments will be based on farm yields rather than normal yields and credit for undermarketing or charges for overmarketing shall be attributed to the farm to which the allotment is transferred under the leasing arrangement.

Subsection (g) provides that the penalty provisions of section 314 of the act shall apply to the acreage-poundage program, except that no penalty will be due or collected until 110 percent of the farm marketing quota has been marketed but that thereafter each pound of tobacco marketed in excess of such percentage will be subject to the full penalty rate. Marketings in excess of 100 percent of the farm marketing quota will require a reduction in subsequent farm marketing quotas in accordance with paragraph (a)(8) of section 317. The Secretary is given discretionary authority to provide that grade N₂ tobacco or any grade of tobacco not eligible for price support may be marketed without penalty or deduction from subsequent quotas to the extent of 5 percent of the farm marketing quota for the farm on which the tobacco was produced. If under the acreage-poundage program

any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 percent of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment. The penalty would be paid and remitted by the producer and would be in lieu of penalties based on actual marketings of excess tobacco. For the first year that a marketing quota program on an acreage-poundage basis is in effect the carryover provisions appearing in the fourth sentence of subsection (a) of section 314 would be amended by substituting "farm yield" for normal production. The carryover provisions of section 314 would not be applicable after the first year because of the provisions of subsection (a)(8) of section 317 which provides for an adjustment in the quota for overmarketings or undermarketings.

Section 2. Section 313(j) of the act as added by Public Law 361 84th Congress, approved August 11, 1955, provides that the production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible as an old farm but that such production would not make the farm ineligible for a new farm allotment. Section 2 amends this subsection to make it apply to the acreage-poundage program under section 317.

Section 3. Section 3 amends section 106 of the Agricultural Act of 1949 which contains price support provisions for tobacco. A new subsection (c) is added which provides that price support shall not be made available on tobacco marketed in excess of 110 percent of the marketing quota for the farm when acreage-poundage quotas are in effect. It also provides that for the purpose of price support eligible tobacco carried over from one marketing year to another to avoid marketings in excess of the farm marketing quota on an acreage-poundage basis shall when marketed be considered tobacco of the then current crop. The overall provision that tobacco grown on a farm on which the acreage allotment is knowingly exceeded would not be eligible for mandatory price support would apply to the acreage-poundage program.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italics*, existing law in which no change is proposed is shown in *roman*):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

* * * * *

APPORTIONMENT OF NATIONAL MARKETING QUOTA

SEC. 313. * * *

* * * * *

(j) [Sic] The production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under

subsections (b) and (g) hereof or Section 317: *Provided, however, That* by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsections (c) and (g) hereof or Section 317, but such production shall not be deemed past tobacco experience for any producer on the farm.

* * * * *

ACREAGE-POUNDAGE QUOTAS

SEC. 317. (a) *For purposes of this section—*

(1) "National marketing quota" for any kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year, adjusted upward or downward in such amount as the Secretary, in his discretion, determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of excessive supplies in order to achieve the policy of the Act.

(2) "National average yield goal" for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

(3) "National acreage allotment" means the acreage determined by dividing the national marketing quota by the national average yield goal.

(4) "Farm acreage allotment" for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by adjusting uniformly the acreage allotment established for such farm for the immediately preceding year, prior to any increase or decrease in such allotment due to undermarketings or overmarketings and prior to any reduction under subsection (f), so that the total of all allotments is equal to the national acreage allotment less the reserve provided in subsection (e) of this section with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for overmarketing or undermarketing and to reflect any reduction required under subsection (f) of this section, and including any adjustment for errors or inequities from the reserve.

(5) The "community average yield" means for Flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the three highest years of the five years 1959 to 1963, inclusive, except that if the yield for any of the three highest years is less than 80 per centum of the average for the three years then that year or years shall be eliminated and the average of the remaining years shall be the community average yield. Community average yields for other kinds of tobacco shall be determined in like manner, except that the five most recent crop years for which data are available shall be used instead of the period 1959 to 1963.

(6) (A) "Preliminary farm yield" for Flue-cured tobacco means a farm yield per acre determined by averaging the yield per acre for the three highest years of the five consecutive crop years beginning with the 1959 crop year except that if that average exceeds 120 per centum of the community average yield the preliminary farm yield shall be the sum of 75 per centum of the average of the three highest years and 25 per centum of the

national average yield goal but not less than 120 per centum of the community average yield, and if the average of the three highest years is less than 80 per centum of the community average yield the preliminary farm yield shall be 80 per centum of the community average yield. In counties where less than five hundred acres of Flue-cured tobacco were allotted for 1964, the county may be considered as one community. If Flue-cured tobacco was not produced on the farm for at least three years of the five-year period the average of the yields for the years in which tobacco was produced shall be used instead of the three-year average. If no Flue-cured tobacco was produced on the farm in the five-year period but the farm is eligible for an allotment because Flue-cured tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

(B) "Preliminary farm yield" for kinds of tobacco, other than Flue-cured, means a farm yield per acre determined in accordance with subparagraph (A) of this paragraph (6) except that in lieu of the five consecutive crop years beginning with 1959 the five most recent crop years for which data are available for the kind of tobacco shall be used. In counties where less than five hundred acres of the kind of tobacco for which the determination is being made were allotted in the last year of the five-year period the county may be considered as one community. If tobacco of the kind for which the determination is being made was not produced on the farm for at least three years of the five-year period, the average of the yields for the years in which the kind of tobacco was produced shall be used instead of the three-year average. If no tobacco of the kind for which the determination is being made was produced on the farm in the five-year period but the farm is eligible for an allotment because such tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

(7) "Farm yield" means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm prior to adjustments for overmarketing, undermarketing, or reductions required under subsection (f) and dividing the sum of the products by the national acreage allotment.

(8) "Farm marketing quota" for any farm for any marketing year shall be the number of pounds of tobacco obtained by multiplying the farm yield by the acreage allotment prior to any adjustment for undermarketing or overmarketing, increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if marketing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: Provided, That the farm marketing quota for any marketing year shall not be increased for undermarketing by an amount in excess of the number of pounds determined by multiplying the acreage allotment for the farm for the immediately preceding year prior to any increase or decrease for undermarketing or overmarketing by the farm yield. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting

the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

(b) Within thirty days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco, and within thirty days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967, in lieu of quotas on an acreage basis in effect for those marketing years. If the Secretary determines that more than 66% per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in this section shall be in effect for those marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

(c) Whenever, during the first or second marketing year of the three-year period for which marketing quotas on an acreage basis are in effect for any kind of tobacco, including Flue-cured tobacco, the Secretary, in his discretion, determines with respect to that kind of tobacco that acreage-poundage quotas under this section would result in a more effective marketing quota program for that kind of tobacco he shall at the time the next announcement of the amount of the national marketing quota under section 312(b) of this Act determine and announce the amount of the national quota for that kind of tobacco under this section of the Act and at the same time announce the national acreage allotment and national average yield goal and within thirty days thereafter conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the next three marketing years. If the Secretary determines that more than 66% per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis as provided in this section, quotas on that basis shall be in effect for the next three marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

(d) If marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis pursuant to subsections (b) or (c) the Secretary shall, not later than December 1 of any marketing year with respect to Flue-cured tobacco, and February 1 with respect to other kinds of tobacco, proclaim a national marketing quota for that kind of tobacco for the next three succeeding marketing years if the marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect. The Secretary, in his discretion, may proclaim the quota on an acreage-poundage basis as provided in this section or on an acreage allotment basis, whichever he determines would result in a more effective

marketing quota for that kind of tobacco, and shall conduct a referendum in accordance with the provisions of section 312(c) of this Act. If the Secretary determines that more than one-third of the farmers voting oppose the national marketing quotas the results shall be proclaimed and the national marketing quota so proclaimed shall not be in effect. If the Secretary proclaims the quotas on an acreage-poundage basis he shall determine and proclaim at the same time the national marketing quota, national acreage allotment, and national average yield goal for the first year of the three years for which quotas are proclaimed. Notice of the farm marketing quota which will be in effect for his farm for the first marketing year covered by the referendum insofar as practicable shall be mailed to the farm operator prior to the holding of any special referendum under subsections (b) or (c) or a referendum on acreage-poundage quotas under this subsection. The Secretary shall determine and announce the national marketing quota, national acreage allotment and national average yield goal for the second and third marketing years of any three-year period for which national marketing quotas on an acreage-poundage basis are in effect on or before the December 1 with respect to Flue-cured tobacco and the February 1 with respect to other kinds of tobacco immediately preceding the beginning of the marketing year to which they apply. Whenever a national marketing quota, national acreage allotment, and national average yield goal are determined and announced, the Secretary shall provide for the determination of farm acreage allotments and farm marketing quotas under the provisions of this section for the crop and marketing year covered by the determinations.

(e) No farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding five years. For each marketing year for which acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than 1 per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments, adjusting inequities, and for establishing acreage allotments for new farms, which are farms on which tobacco was not produced or considered produced during the immediately preceding five years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop rotation practices, soil and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms.

(f) Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage-poundage programs established under this section. The acreage reductions required under the last two sentences shall be in addition to any other adjustments made pursuant to this section, and when acreage reductions are made the farm marketing quota shall be reduced to reflect such reductions. The provisions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production or marketings of tobacco grown on a farm for which an acreage allotment and a farm yield are established as provided in this section. In establishing acreage allotments and farm yields for

other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketing below or in excess of the farm marketing quota for the farm acquired by the agency. Acreage allotments and farm marketing quotas determined under this section may be leased under the terms and conditions contained in section 316 of this Act, except that (1) the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields, and (2) any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred.

(g) When marketing quotas under this section are in effect, provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

(1) No penalty on excess tobacco shall be due or collected until 110 per centum of the farm marketing quota for a farm has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable, and collected at the time of marketing on each pound of tobacco marketed, and any tobacco marketed in excess of 100 per centum of the farm marketing quota will require a reduction in subsequent farm marketing quotas in accordance with paragraph (a)(8): Provided, however, If the Secretary, in his discretion, determines it is desirable to encourage the marketing of grade N₂ tobacco, or any grade of tobacco not eligible for price support, in order to meet the normal demands of export and domestic markets, he may authorize the marketing of such tobacco in a marketing year without the payment of penalty or deduction from subsequent quotas to the extent of 5 per centum of the farm marketing quota for the farm on which the tobacco was produced.

(2) When marketing quotas established under this section are in effect the provisions with respect to penalties contained in the third sentence of subsection 314(a) shall be revised to read: "If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 per centum of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment and the penalty in respect thereof shall be paid and remitted by the producer."

(3) For the first year a marketing quota program established under the provisions of this section is in effect, the words "normal production" where they appear in the fourth sentence of subsection (a) of such section shall be read "farm yield" and the said fourth sentence shall otherwise be applicable. For the second and succeeding years for which a program established under the provisions of this section is in effect, the provisions of subsection (a)(8) shall apply when penalties, if any, on carryover tobacco are computed, and the provisions contained in the fourth sentence of subsection 314(a) shall not be applicable.

* * * * *

AGRICULTURAL ACT OF 1949, AS AMENDED

* * * * *

PRICE SUPPORT FOR 1960 AND SUBSEQUENT YEARS (TOBACCO)

SEC. 106. Notwithstanding any of the provisions of section 101 of this Act: (a) For the 1960 crop of any kind of tobacco for which marketing quotas are in effect, or for which marketing quotas are not disapproved by producers, the support level in cents per pound shall be the level at which the 1959 crop of such kind of tobacco was supported, or if marketing quotas were disapproved for the 1959 crop of such kind of tobacco, the level at which the 1959 crop of such kind of tobacco would have been supported if marketing quotas had been in effect. (b) For the 1961 crop and each subsequent crop of any kind of tobacco for which marketing quotas are in effect, or for which marketing quotas are not disapproved by producers, the support level in cents per pound shall be determined by adjusting the support level for the 1959 crop of such kind of tobacco, or if marketing quotas were disapproved for the 1959 crop of such kind of tobacco, the level at which in 1959 crop of such kind of tobacco would have been supported if marketing quotas had been in effect, by multiplying such support level for the 1959 crop by the ratio of (i) the average of the index of prices paid by farmers, including wage rates, interest, and taxes, as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended, for the three calendar years immediately preceding the calendar year in which the marketing year begins for the crop for which the support level is being determined to (ii) the average index of such prices paid by farmers, including wage rates, interest, and taxes for the calendar year 1959.

(c) *If acreage-poundage farm marketing quotas are in effect under section 317 of the Agricultural Adjustment Act of 1938, as amended, (1) price support shall not be made available on tobacco marketed in excess of 110 per centum of the marketing quota for the farm on which such tobacco was produced, and (2) for the purpose of price-support eligibility, tobacco carried over from one marketing year to another to avoid marketings in excess of the farm marketing quota shall, when marketed, be considered tobacco of the then current crop.*

MINORITY VIEWS OF HON. DELBERT L. LATTA AND HON. PAUL FINDLEY

We oppose the enactment of H.R. 5721 because it establishes an unsound precedent, it provides special privileges, it disrupts land values, it is unduly complicated, and it is unfair to many tobacco farmers.

There is no question that the tobacco program is in serious trouble. This fact exists in spite of many statements by the advocates of supply management who have long hailed the tobacco program as the utopia of a successful control program.

The committee was informed that there is at present approximately 950 million pounds of surplus Flue-cured tobacco in stabilization. This surplus represents an amount equal to almost the entire yearly production of Flue-cured tobacco (which in 1964 was some 1.25 million pounds). Flue-cured tobacco growers took a 10-percent cut in acreage in 1964 and a 19.5-percent cut this year. The 1965 cut in acreage will remain in effect if H.R. 5721 does not become law.

Notwithstanding a 950-million-pound surplus of Flue-cured tobacco, this bill would negate the scheduled 19.5-percent cut already announced by the Secretary of Agriculture for 1965 and in its place would adopt a complex poundage control system based on a complicated formula.

The central basis for this formula is the average tobacco poundage yields in the township or local administrative unit of government. Farmers producing less than 80 percent of the community average would be raised to the 80 percent level, and farmers producing more than 120 percent of the community average would be given a new quota based on a weighted relationship between their farm production history and the national Flue-cured tobacco yield goal.

The adoption of H.R. 5721 would, therefore, establish a system of mandatory volume controls never before introduced in the farm program. This system could become a precedent for imposing similar volume restrictions on producers of wheat, corn, cotton, peanuts, rice, and other farm crops. This legislation represents the final step toward absolute control, short of outright governmental land ownership and management.

We would also point out that this bill applies to all types of tobacco, not just Flue-cured which is covered beginning this year. Ohio tobacco producers, for example, have not had sufficient opportunity to study the effects of this legislation.

This legislation also contains two other provisions which are unique in our farm laws.

First, it establishes farm yields on the basis of townships. On other commodities, notably wheat and feed grains, the county averages are used. If it is equitable for Congress to establish a tobacco program based on township yields in order to more accurately reflect the

individual farmer's production, why is it not equally equitable to do so for other commodities?

Second, it allows the accumulation of unused quotas to be carried forward from year to year. Not only is this provision self-defeating as a control device, it also is not available to producers of other commodities such as wheat and feed grains. Under both the wheat and feed grains program a farmer who has a short crop one year cannot carry forward his lost production to a subsequent year. The only way a wheat producer could possibly get a benefit remotely similar to this provision is to store his excess wheat under bond for marketing in a future year when he has a short crop. However, should he have a crop failure, he is denied the right to increase his production in future years to compensate him for his crop failure.

The hearings on this bill also clearly demonstrated that there will be many inequities between farms in the same neighborhood, the same county, the same State, and the same region. For example, producers in Georgia and Florida who do not produce as great a surplus of Flue-cured tobacco as in other States will still have to take the stricter controls that H.R. 5721 proposes.

Land values too will be drastically affected by this legislation. At present the value of a tobacco farm is based on the size of the acreage allotment and its potential for production. Under H.R. 5721 this same farm will be worth only what the past 5-year production history has been. A good farm which was managed by an unskilled tenant, for example, will in the future be worth much less than at present. Naturally, the security for existing indebtedness and mortgages on such a farm would likewise be impaired.

In summary, notwithstanding the special privileges provided to tobacco growers by this bill, we predict that the dangerous precedent it establishes will cause even its staunchest supporters to live to regret it.

DELBERT LATTA.
PAUL FINDLEY.



CONTENTS
ORIGINAL ARTICLES
The Effect of the War on the Medical Profession in the United States
The Medical Profession in the United States During the War
The Medical Profession in the United States During the War
The Medical Profession in the United States During the War

Page	Article
13	The Effect of the War on the Medical Profession in the United States
14	The Medical Profession in the United States During the War
15	The Medical Profession in the United States During the War
16	The Medical Profession in the United States During the War
17	The Medical Profession in the United States During the War
18	The Medical Profession in the United States During the War
19	The Medical Profession in the United States During the War
20	The Medical Profession in the United States During the War
21	The Medical Profession in the United States During the War
22	The Medical Profession in the United States During the War
23	The Medical Profession in the United States During the War
24	The Medical Profession in the United States During the War
25	The Medical Profession in the United States During the War
26	The Medical Profession in the United States During the War
27	The Medical Profession in the United States During the War
28	The Medical Profession in the United States During the War
29	The Medical Profession in the United States During the War
30	The Medical Profession in the United States During the War
31	The Medical Profession in the United States During the War
32	The Medical Profession in the United States During the War
33	The Medical Profession in the United States During the War
34	The Medical Profession in the United States During the War
35	The Medical Profession in the United States During the War
36	The Medical Profession in the United States During the War
37	The Medical Profession in the United States During the War
38	The Medical Profession in the United States During the War
39	The Medical Profession in the United States During the War
40	The Medical Profession in the United States During the War
41	The Medical Profession in the United States During the War
42	The Medical Profession in the United States During the War
43	The Medical Profession in the United States During the War
44	The Medical Profession in the United States During the War
45	The Medical Profession in the United States During the War
46	The Medical Profession in the United States During the War
47	The Medical Profession in the United States During the War
48	The Medical Profession in the United States During the War
49	The Medical Profession in the United States During the War
50	The Medical Profession in the United States During the War
51	The Medical Profession in the United States During the War
52	The Medical Profession in the United States During the War
53	The Medical Profession in the United States During the War
54	The Medical Profession in the United States During the War
55	The Medical Profession in the United States During the War
56	The Medical Profession in the United States During the War
57	The Medical Profession in the United States During the War
58	The Medical Profession in the United States During the War
59	The Medical Profession in the United States During the War
60	The Medical Profession in the United States During the War
61	The Medical Profession in the United States During the War
62	The Medical Profession in the United States During the War
63	The Medical Profession in the United States During the War
64	The Medical Profession in the United States During the War
65	The Medical Profession in the United States During the War
66	The Medical Profession in the United States During the War
67	The Medical Profession in the United States During the War
68	The Medical Profession in the United States During the War
69	The Medical Profession in the United States During the War
70	The Medical Profession in the United States During the War
71	The Medical Profession in the United States During the War
72	The Medical Profession in the United States During the War
73	The Medical Profession in the United States During the War
74	The Medical Profession in the United States During the War
75	The Medical Profession in the United States During the War
76	The Medical Profession in the United States During the War
77	The Medical Profession in the United States During the War
78	The Medical Profession in the United States During the War
79	The Medical Profession in the United States During the War
80	The Medical Profession in the United States During the War
81	The Medical Profession in the United States During the War
82	The Medical Profession in the United States During the War
83	The Medical Profession in the United States During the War
84	The Medical Profession in the United States During the War
85	The Medical Profession in the United States During the War
86	The Medical Profession in the United States During the War
87	The Medical Profession in the United States During the War
88	The Medical Profession in the United States During the War
89	The Medical Profession in the United States During the War
90	The Medical Profession in the United States During the War
91	The Medical Profession in the United States During the War
92	The Medical Profession in the United States During the War
93	The Medical Profession in the United States During the War
94	The Medical Profession in the United States During the War
95	The Medical Profession in the United States During the War
96	The Medical Profession in the United States During the War
97	The Medical Profession in the United States During the War
98	The Medical Profession in the United States During the War
99	The Medical Profession in the United States During the War
100	The Medical Profession in the United States During the War

Published by the American Medical Association, 535 North Dearborn Street, Chicago, Ill.
Subscription price, \$5.00 per annum in advance.
Single copies, 15 cents.
Entered as Second-Class Matter, May 2, 1912, Post Office at Chicago, Ill., under No. 100,000.
Acceptance for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on July 1, 1918.
Postage paid at Chicago, Ill.

89TH CONGRESS
1ST SESSION

H. R. 5721

[Report No. 147]

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1965

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

MARCH 9, 1965

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 hereinafter referred to as the "Act", is amended by adding
5 immediately following section 316 a section 317 to read
6 as follows:

7 "ACREAGE-POUNDAGE QUOTAS

8 "SEC. 317. (a) For purposes of this section—

9 "(1) 'National marketing quota' for any kind of tobacco

1 for a marketing year means the amount of the kind of
2 tobacco produced in the United States which the Secretary
3 estimates will be utilized during the marketing year in the
4 United States and will be exported during the marketing
5 year, adjusted upward or downward in such amount as the
6 Secretary, in his discretion, determines is desirable for the
7 purpose of maintaining an adequate supply or for effecting an
8 orderly reduction of excessive supplies in order to achieve the
9 policy of the Act.

10 “(2) ‘National average yield goal’ for any kind of
11 tobacco means the yield per acre which on a national average
12 basis the Secretary determines will improve or insure the
13 usability of the tobacco and increase the net return per
14 pound to the growers. In making this determination the
15 Secretary shall give consideration to such Federal-State
16 production research data as he deems relevant.

17 “(3) ‘National acreage allotment’ means the acreage
18 determined by dividing the national marketing quota by the
19 national average yield goal.

20 “(4) ‘Farm acreage allotment’ for a tobacco farm, other
21 than a new tobacco farm, means the acreage allotment deter-
22 mined by adjusting uniformly the acreage allotment estab-
23 lished for such farm for the immediately preceding year,
24 prior to any increase or decrease in such allotment due to
25 undermarketings or overmarketings and prior to any reduc-

1 tion under subsection (f), so that the total of all allotments
2 is equal to the national acreage allotment less the reserve
3 provided in subsection (e) of this section with a further
4 downward or upward adjustment to reflect any adjustment
5 in the farm marketing quota for overmarketing or undermar-
6 keting and to reflect any reduction required under subsection
7 (f) of this section, and including any adjustment for errors
8 or inequities from the reserve.

9 “(5) The ‘community average yield’ means for Flue-
10 cured tobacco the average yield per acre in the community
11 designated by the Secretary as a local administrative area
12 under the provisions of section 8 (b) of the Soil Conservation
13 and Domestic Allotment Act, as amended, which is deter-
14 mined by averaging the yields per acre for the three highest
15 years of the five years 1959 to 1963, inclusive, except that
16 if the yield for any of the three highest years is less than 80
17 per centum of the average for the three years then that year
18 or years shall be eliminated and the average of the remaining
19 years shall be the community average yield. Community
20 average yields for other kinds of tobacco shall be determined
21 in like manner, except that the five most recent crop years
22 for which data are available shall be used instead of the
23 period 1959 to 1963.

24 “(6) (A) ‘Preliminary farm yield’ for Flue-cured to-
25 bacco means a farm yield per acre determined by averaging

1 the yield per acre for the three highest years of the five
2 consecutive crop years beginning with the 1959 crop year
3 except that if that average exceeds 120 per centum of the
4 community average yield the preliminary farm yield shall
5 be the sum of 75 per centum of the average of the three
6 highest years and 25 per centum of the national average
7 yield goal but not less than 120 per centum of the com-
8 munity average yield, and if the average of the three highest
9 years is less than 80 per centum of the community average
10 yield the preliminary farm yield shall be 80 per centum of
11 the community average yield. In counties where less than
12 five hundred acres of Flue-cured tobacco were allotted for
13 1964, the county may be considered as one community. If
14 Flue-cured tobacco was not produced on the farm for at
15 least three years of the five-year period the average of the
16 yields for the years in which tobacco was produced shall be
17 used instead of the three-year average. If no Flue-cured
18 tobacco was produced on the farm in the five-year period
19 but the farm is eligible for an allotment because Flue-cured
20 tobacco was considered to have been produced under appli-
21 cable provisions of law, a preliminary farm yield for the
22 farm shall be determined under regulations of the Secretary
23 taking into account preliminary farm yields of similar farms
24 in the community.

25 “(B) ‘Preliminary farm yield’ for kinds of tobacco,

1 other than Flue-cured, means a farm yield per acre deter-
2 mined in accordance with subparagraph (A) of this para-
3 graph (6) except that in lieu of the five consecutive crop
4 years beginning with 1959 the five most recent crop years
5 for which data are available for the kind of tobacco shall be
6 used. In counties where less than five hundred acres of the
7 kind of tobacco for which the determination is being made
8 were allotted in the last year of the five-year period the
9 county may be considered as one community. If tobacco of
10 the kind for which the determination is being made was not
11 produced on the farm for at least three years of the five-year
12 period, the average of the yields for the years in which the
13 kind of tobacco was produced shall be used instead of the
14 three-year average. If no tobacco of the kind for which the
15 determination is being made was produced on the farm in the
16 five-year period but the farm is eligible for an allotment be-
17 cause such tobacco was considered to have been produced
18 under applicable provisions of law, a preliminary farm yield
19 for the farm shall be determined under regulations of the
20 Secretary taking into account preliminary farm yields of
21 similar farms in the community.

22 “(7) ‘Farm yield’ means the yield of tobacco per acre
23 for a farm determined by multiplying the preliminary farm
24 yield by a national yield factor which shall be obtained by
25 dividing the national average yield goal by a weighted na-

1 tional average yield computed by multiplying the preliminary
2 farm yield for each farm by the acreage allotment deter-
3 mined pursuant to paragraph (4) for the farm prior to ad-
4 justments for overmarketing, undermarketing, or reductions
5 required under subsection (f) and dividing the sum of the
6 products by the national acreage allotment.

7 “(8) ‘Farm marketing quota’ for any farm for any mar-
8 keting year shall be the number of pounds of tobacco obtained
9 by multiplying the farm yield by the acreage allotment prior
10 to any adjustment for undermarketing or overmarketing, in-
11 creased for undermarketing or decreased for overmarketing
12 by the number of pounds by which marketings of tobacco
13 from the farm during the immediately preceding marketing
14 year, if marketing quotas were in effect under the program
15 established by this section, is less than or exceeds the farm
16 marketing quota for such year: *Provided*, That the farm
17 marketing quota for any marketing year shall not be in-
18 creased for undermarketing by an amount in excess of
19 the number of pounds determined by multiplying the
20 acreage allotment for the farm for the immediately pre-
21 ceding year prior to any increase or decrease for under-
22 marketing or overmarketing by the farm yield. If on
23 account of excess marketings in the preceding market-
24 ing year the farm marketing quota for the marketing year
25 is reduced to zero pounds without reflecting the entire

1 reduction required, the additional reduction required shall
2 be made for the subsequent marketing year or years. The
3 farm marketing quota will be increased or decreased for the
4 second succeeding marketing year in the case of Maryland
5 tobacco, and for any other kind of tobacco for which the Sec-
6 retary determines it is impracticable because of the lack of
7 adequate marketing data, to make the increases or decreases
8 applicable to the immediately succeeding marketing year.

9 “(b) Within thirty days after the enactment of this sec-
10 tion the Secretary pursuant to the provisions of subsection
11 (a) of this section shall determine and announce the amount
12 of the national marketing quota for Flue-cured tobacco for
13 the marketing year beginning July 1, 1965, and the national
14 acreage allotment and national average yield goal for the
15 1965 crop of Flue-cured tobacco, and within thirty days
16 after the announcement of the amount of such national mar-
17 keting quota shall conduct a special referendum of the
18 farmers engaged in the production of Flue-cured tobacco of
19 the 1964 crop to determine whether they favor or oppose
20 the establishment of marketing quotas on an acreage-pound-
21 age basis as provided in this section for the marketing years
22 beginning July 1, 1965, July 1, 1966, and July 1, 1967,
23 in lieu of quotas on an acreage basis in effect for those mar-
24 keting years. If the Secretary determines that more than
25 66 $\frac{2}{3}$ per centum of the farmers voting in the special refer-

1 endum approve marketing quotas on an acreage-poundage
2 basis, marketing quotas on an acreage-poundage basis as
3 provided in this section shall be in effect for those marketing
4 years and the marketing quotas on an acreage basis shall
5 cease to be in effect at the beginning of such three-year
6 period.

7 “(c) Whenever, during the first or second marketing
8 year of the three-year period for which marketing quotas on
9 an acreage basis are in effect for any kind of tobacco, in-
10 cluding Flue-cured tobacco, the Secretary, in his discretion,
11 determines with respect to that kind of tobacco that acreage-
12 poundage quotas under this section would result in a more
13 effective marketing quota program for that kind of tobacco
14 he shall at the time the next announcement of the amount
15 of the national marketing quota under section 312 (b) of this
16 Act determine and announce the amount of the national
17 quota for that kind of tobacco under this section of the Act
18 and at the same time announce the national acreage allot-
19 ment and national average yield goal and within thirty days
20 thereafter conduct a special referendum of farmers engaged in
21 the production of the kind of tobacco of the most recent crop
22 to determine whether they favor the establishment of mar-
23 keting quotas on an acreage-poundage basis as provided in
24 this section for the next three marketing years. If the Sec-
25 retary determines that more than $66\frac{2}{3}$ per centum of the

1 farmers voting in the special referendum approve marketing
2 quotas on an acreage-poundage basis as provided in this sec-
3 tion, quotas on that basis shall be in effect for the next three
4 marketing years and the marketing quotas on an acreage
5 basis shall cease to be in effect at the beginning of such three-
6 year period.

7 “(d) If marketing quotas have been made effective for
8 a kind of tobacco on an acreage-poundage basis pursuant to
9 subsections (b) or (c) the Secretary shall, not later than
10 December 1 of any marketing year with respect to Flue-
11 cured tobacco, and February 1 with respect to other kinds
12 of tobacco, proclaim a national marketing quota for that kind
13 of tobacco for the next three succeeding marketing years if
14 the marketing year is the last year of three consecutive years
15 for which marketing quotas previously proclaimed will be in
16 effect. The Secretary, in his discretion, may proclaim the
17 quota on an acreage-poundage basis as provided in this sec-
18 tion or on an acreage allotment basis, whichever he deter-
19 mines would result in a more effective marketing quota for
20 that kind of tobacco, and shall conduct a referendum in ac-
21 cordance with the provisions of section 312 (c) of this Act.
22 If the Secretary determines that more than one-third of the
23 farmers voting oppose the national marketing quotas the
24 results shall be proclaimed and the national marketing quota

1 so proclaimed shall not be in effect. If the Secretary pro-
2 claims the quotas on an acreage-poundage basis he shall de-
3 termine and proclaim at the same time the national market-
4 ing quota, national acreage allotment, and national average
5 yield goal for the first year of the three years for which
6 quotas are proclaimed. Notice of the farm marketing quota
7 which will be in effect for his farm for the first marketing
8 year covered by the referendum insofar as practicable shall
9 be mailed to the farm operator prior to the holding of any
10 special referendum under subsections (b) or (c) or a refer-
11 endum on acreage-poundage quotas under this subsection.
12 The Secretary shall determine and announce the national
13 marketing quota, national acreage allotment and national
14 average yield goal for the second and third marketing years
15 of any three-year period for which national marketing quotas
16 on an acreage-poundage basis are in effect on or before the
17 December 1 with respect to Flue-cured tobacco and the Feb-
18 ruary 1 with respect to other kinds of tobacco immediately
19 preceding the beginning of the marketing year to which they
20 apply. Whenever a national marketing quota, national acre-
21 age allotment, and national average yield goal are deter-
22 mined and announced, the Secretary shall provide for the
23 determination of farm acreage allotments and farm marketing
24 quotas under the provisions of this section for the crop and
25 marketing year covered by the determinations.

1 “(e) No farm acreage allotment or farm yield shall
2 be established for a farm on which no tobacco was produced
3 or considered produced under applicable provisions of law
4 for the immediately preceding five years. For each market-
5 ing year for which acreage-poundage quotas are in effect
6 under this section the Secretary in his discretion may estab-
7 lish a reserve from the national acreage allotment in an
8 amount equivalent to not more than 1 per centum of the
9 national acreage allotment to be available for making cor-
10 rections of errors in farm acreage allotments, adjusting
11 inequities, and for establishing acreage allotments for new
12 farms, which are farms on which tobacco was not produced
13 or considered produced during the immediately preceding
14 five years. The part of the reserve held for apportionment
15 to new farms shall be allotted on the basis of land, labor,
16 and equipment available for the production of tobacco, crop
17 rotation practices, soil and other physical factors affecting
18 the production of tobacco and the past tobacco-producing
19 experience of the farm operator. The farm yield for any
20 farm for which a new farm acreage allotment is established
21 shall be determined on the basis of available productivity
22 data for the land involved and farm yields for similar farms.

23 “(f) Only the provisions of the last two sentences of
24 subsection (g) of section 313 of this Act shall apply with
25 respect to acreage-poundage programs established under this

1 section. The acreage reductions required under the last two
2 sentences shall be in addition to any other adjustments made
3 pursuant to this section, and when acreage reductions are
4 made the farm marketing quota shall be reduced to reflect
5 such reductions. The provisions of the next to the last
6 sentence of such subsection pertaining to the filing of any false
7 report with respect to the acreage of tobacco grown on the
8 farm shall also be applicable to the filing of any false report
9 with respect to the production or marketings of tobacco grown
10 on a farm for which an acreage allotment and a farm yield
11 are established as provided in this section. In establishing
12 acreage allotments and farm yields for other farms owned
13 by the owner displaced by acquisition of his land by any
14 agency, as provided in section 378 of this Act, increases or
15 decreases in such acreage allotments and farm yields as
16 provided in this section shall be made on account of market-
17 ings below or in excess of the farm marketing quota for the
18 farm acquired by the agency. Acreage allotments and farm
19 marketing quotas determined under this section may be leased
20 under the terms and conditions contained in section 316 of
21 this Act, except that (1) the adjustment provided for in the
22 last sentence of subsection (c) of said section shall be based
23 on farm yields rather than normal yields, and (2) any credit
24 for undermarketing or charge for overmarketing shall be
25 attributed to the farm to which transferred.

1 “(g) When marketing quotas under this section are in
2 effect, provisions with respect to penalties for the marketing
3 of excess tobacco and the other provisions contained in sec-
4 tion 314 of the Act shall apply, except that:

5 “(1) No penalty on excess tobacco shall be due or col-
6 lected until 110 per centum of the farm marketing quota
7 for a farm has been marketed, but with respect to each pound
8 of tobacco marketed in excess of such percentage the full
9 penalty rate shall be due, payable, and collected at the time
10 of marketing on each pound of tobacco marketed, and any
11 tobacco marketed in excess of 100 per centum of the farm
12 marketing quota will require a reduction in subsequent farm
13 marketing quotas in accordance with paragraph (a) (8) :
14 *Provided, however,* If the Secretary, in his discretion, deter-
15 mines it is desirable to encourage the marketing of grade N₂
16 tobacco, or any grade of tobacco not eligible for price sup-
17 port, in order to meet the normal demands of export and
18 domestic markets, he may authorize the marketing of such
19 tobacco in a marketing year without the payment of penalty
20 or deduction from subsequent quotas to the extent of 5 per
21 centum of the farm marketing quota for the farm on which
22 the tobacco was produced.

23 “(2) When marketing quotas established under this
24 section are in effect the provisions with respect to penalties
25 contained in the third sentence of subsection 314 (a) shall

1 be revised to read: 'If any producer falsely identifies or fails
2 to account for the disposition of any tobacco, the Secretary,
3 in lieu of assessing and collecting penalties based on actual
4 marketings of excess tobacco, may elect to assess a penalty
5 computed by multiplying the full penalty rate by an amount
6 of tobacco equal to 25 per centum of the farm marketing
7 quota plus the farm yield of the number of acres harvested
8 in excess of the farm acreage allotment and the penalty in
9 respect thereof shall be paid and remitted by the producer.'

10 " (3) For the first year a marketing quota program estab-
11 lished under the provisions of this section is in effect, the
12 words 'normal production' where they appear in the fourth
13 sentence of subsection (a) of such section shall be read
14 'farm yield' and the said fourth sentence shall otherwise be
15 applicable. For the second and succeeding years for which
16 a program established under the provisions of this section is
17 in effect, the provisions of subsection (a) (8) shall apply
18 when penalties, if any, on carryover tobacco are computed,
19 and the provisions contained in the fourth sentence of sub-
20 section 314 (a) shall not be applicable."

21 SEC. 2. Subsection (j) of section 313 of the Agricultural
22 Adjustment Act of 1938, as added by Public Law 361, 84th
23 Congress, approved August 11, 1955, is amended by insert-
24 ing immediately following the language "(g) hereof"

1 wherever it appears in said subsection the language “or
2 section 317”.

3 SEC. 3. Section 106 of the Agricultural Act of 1949,
4 as amended, is amended by adding at the end thereof the fol-
5 lowing:

6 “(c) If acreage-poundage farm marketing quotas are in
7 effect under section 317 of the Agricultural Adjustment Act
8 of 1938, as amended, (1) price support shall not be made
9 available on tobacco marketed in excess of 110 per centum
10 of the marketing quota for the farm on which such tobacco
11 was produced, and (2) for the purpose of price-support
12 eligibility, tobacco carried over from one marketing year to
13 another to avoid marketings in excess of the farm market-
14 ing quota shall, when marketed, be considered tobacco of
15 the then current crop.”

89TH CONGRESS
1ST SESSION

H. R. 5721

[Report No. 147]

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

By Mr. COOLEY

MARCH 3, 1965

Referred to the Committee on Agriculture

MARCH 9, 1965

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

March 16, 1962

14. WATER RESOURCES. Sen. Bennett expressed regret that no funds were included in the President's budget to initiate construction of the Bonneville unit of the central Utah water resources project. pp. 5038-40

HOUSE

15. TOBACCO. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 2 hours of debate, on H. R. 5721," to provide for acreage-poundage marketing quotas for tobacco and to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended. p. D195
16. CONGRESSIONAL ORGANIZATION. Rep. King, Utah, commended the establishment of a Joint Committee on the Organization of Congress. pp. 4966-7
17. WATER RESOURCES. Rep. Saylor inserted a newspaper article critical of the proposed construction of dams above and below the Grant Canyon. pp. 4970-1
18. FOREIGN TRADE. Rep. Pelly spoke in support of his bill H. R. 6301, to prohibit transportation of articles to or from the U. S. aboard certain foreign vessels, and urged immediate hearings on the bill. pp. 4974-5
19. ELECTRIFICATION. Rep. Ullman defended the Bonneville Power Administration against a "misunderstanding about the recent audit report of the General Accounting Office, which is critical of the system-wide accounting procedures adopted by the BPA in its 1963 financial report" and stated that BPA "is operated on a basis of fiscal and economic soundness." pp. 4978-9
20. ALLIANCE FOR PROGRESS. Rep. Gonzalez commended and inserted an address by the Ambassador of Costa Rica analyzing the meaning of the Alliance for Progress in which he discussed the Latin-American dependence upon commodity exports. pp. 4979-82
21. FARM LABOR. Rep. Gonzalez inserted a newspaper article, "The Braceros Leave, but the Problems Linger..." pp. 4982-4
22. RESEARCH. Rep. Miller commended the work of the recent Select Committee on Government Research listing a few examples of the indirect impact of Federal research and development including water resources and agriculture. pp. 4991-5
Rep. Daddario commended the report of the Committee on Science and astronautics, "Indirect Costs Under Federal Research Grants" (H. Rept. 144). p. 4998
23. FOREIGN AID. Rep. Halpern spoke in support of his bill to provide for the establishment of a White Fleet designed to render emergency assistance to the people of other nations. pp. 4997-8
24. FORESTRY. The Interior and Insular Affairs Committee reported with amendment H. R. 398, to permit the discovery, location, development, and utilization of the mineral resources of certain public lands in national forests in Colo. (H. Rept. 174). p. 4999
25. COMMITTEES. The Banking and Currency Committee announced the appointment of various subcommittees. p. D194

ITEMS IN APPENDIX

26. APPALACHIA. Sen. Scott inserted an article expressing approval of the Appalachian program. p. A1197
27. FARM PROGRAM. Rep. MacGregor inserted an article praising the strength of American agriculture, "the most remarkable production system the world has ever seen." pp. A1200-1
Rep. Anderson inserted an article based on a poll taken by Farm Journal, "Magazine Polls Agriculture: Farmers Would Change Programs." pp. A1216-7
Rep. Callan stressed "the necessity now, and in the future, for sound agricultural programs." p. A1217
28. COMMUNITY DEVELOPMENT. Extension of remarks of Rep. Shriver urging the creation of an Office of Community Development in the Executive Office of the President rather than a Cabinet-level Department of Housing and Urban Development. p. A1201
29. WHEAT. Rep. Ullman inserted two letters providing timely comments on proposal to extend the certificate program for wheat to 100 percent of parity. p. A1202
30. ECONOMICS. Rep. Kelly inserted an address, "Some Reflections On Current U. S. Economic Policy," pp. A1205-8
31. RECREATION; LOANS. Extension of remarks of Rep. Bandstra discussing efforts being made by the Whitebreast Lake Association, Osceola, Ia., to provide modern outdoor recreation facilities, and stating that they have applied for a loan from the Farmers Home Administration. p. A1208
32. WEIGHTS AND MEASURES. Rep. Multer inserted a statement opposing the proposal to adopt the metric system. pp. A1209-10
33. WATER POLLUTION. Reps. Dingell and Rostenkowski inserted articles pointing out the need for Federal legislation to abate water pollution. pp. A1211-2, A1212-3

BILLS INTRODUCED

34. WHEAT. H. R. 6330 by Rep. Olsen, Montana, H. R. 6335 by Rep. Purcell and H. R. 6339 by Rep. Redlin, to provide a wheat program for 1966 and subsequent years; to Agriculture Committee.
S. 1528 by Sen. Pearson, to strengthen market prices of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flaxseed by prohibiting the Commodity Credit Corporation from making domestic sales of such commodities at prices less than 125 percent of current support prices plus reasonable carrying charges; to Agriculture and Forestry Committee. Remarks of Rep. Purcell. p. 4988; Remarks of Rep. Redlin. p. 4987; Remarks of Sen. Pearson. p. 5013.
35. PERSONNEL. H. R. 6352 by Rep. Cramer, to amend the Civil Service Retirement Act to eliminate the reduction in annuity elected for a spouse when such spouse predeceases the person making the election; to Post Office and Civil Service Committee.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business

Postage and Fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued

March 19, 1965

For actions of

March 18, 1965

89th-1st; No. 50

CONTENTS

Adjournment.....	12,26	Imports.....	37	Research.....	17,35
Alliance for Progress...	21	Information.....	9	Retirement.....	31
Appropriations.....	16	Inspection.....	43	SCS user charges.....	1
Buildings.....	42	Lands.....	34	Small business.....	36
Cotton.....	19	Legislative program....	25	Soil conservation.....	1,23
Disaster relief.....	6	Milk.....	39	Technical services.....	22
Electrification.....	5,32	Monopolies.....	29	Time.....	38
Farm credit.....	11	Nominations.....	11	Tobacco.....	13,25
Farm labor.....	3	Patents.....	27	Treasury.....	11
Federal controls.....	18	Personnel.....	31	User charges.....	1,27,28
Foreign currencies....	8,37	Potatoes.....	24	Voting record.....	30
Futures trading.....	24	Poultry.....	10	Water pollution.....	14
Hawaii.....	20	Poverty.....	2	Water resources.....	15
Health benefits.....	31	Quarantine services....	43	Wildlife.....	15
Holiday.....	41	Reclamation.....	7		
Housing.....	4,34,40	Recreation.....	15,33		

HIGHLIGHTS: House Rules Committee cleared acreage-poundage tobacco bill. Rep. Landrum praised achievements of cotton program. House committee voted to report water pollution control bill. Sen. Jordan criticized proposed user charge on SCS technical assistance. Sen. Brewster commended poverty program. Rep. Kastenmeier introduced and discussed milk sanitation bill.

SENATE

1. USER CHARGES; SOIL CONSERVATION. Sen. Jordan, Idaho, stated that the proposed user charge on SCS technical assistance is not justified at this time, that farm income "dropped off \$300 million in 1964," and inserted an Idaho Legislature resolution objecting to the proposal. pp. 5259-60
2. POVERTY. Sen. Brewster inserted an address by Sen. McIntyre reviewing problems of poverty and commending enactment of the Economic Opportunity Act of 1964. pp. 5257-9

3. FARM LABOR. Sen. Murphy urged resumption of the importation of Mexican farm laborers and inserted two items on the farm labor situation in Calif., "Braceros Vital to State Crops," and "Cost of Bracero Blundering." pp. 5266-7
4. HOUSING. Sen. Mansfield announced that the Subcommittee on Housing of the Banking and Currency Committee will begin hearings Mar. 29 on S. 1354, the administration housing bill, and that the hearings are expected to last two weeks. p. 5255
5. ELECTRIFICATION. Sen. Bartlett defended, and inserted a letter by Sen. Gruening defending, the proposed Rampart hydroelectric project on the Yukon River, Alaska. p. 5264
6. DISASTER RELIEF. Sen. Bartlett praised Federal assistance given to Alaska as a result of the earthquake last year and urged enactment of permanent legislation giving the President authority to provide Federal assistance in future cases of disaster. pp. 5267-8
7. RECLAMATION. The Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 254, to authorize construction of the Tualatin Federal reclamation project, Ore. p. D204
8. FOREIGN CURRENCIES. Sen. Hayden inserted a summary of foreign currencies used by the Senate Appropriations Committee in 1964 in connection with foreign travel. pp. 5246-50
9. INFORMATION. Sen. Nelson spoke in support of enactment of legislation to establish a Federal public records law to require Federal agencies to make their records available to the public. pp. 5273-4
10. POULTRY. Sen. Tydings commended the appointment of Mrs. Emily H. Womach as chairman of the Delmarva poultry industry's fund drive for 1965. p. 5273
11. NOMINATIONS. Received the nomination of Henry H. Fowler to be Secretary of the Treasury, and the nominations of R. Watkins Greene and Ralph K. Cooper to be members of the Federal Farm Credit Board, FCA, for terms expiring Mar. 31, 1971. p. 5303
12. ADJOURNED until Mon., Mar. 22. p. 5303

HOUSE

13. TOBACCO. The Rules Committee reported a resolution for consideration of H. R. 5721, to provide for acreage-poundage marketing quotas for tobacco, and to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended. pp. 5184-5
14. WATER POLLUTION. The Public Works Committee voted to report (but did not actually report) S. 4 (amended), to amend the Federal Water Pollution Control Act so as to provide for the establishment of a Federal Water Pollution Control Administration in HEW, to provide for research and development in water pollution control, to increase grants for construction of municipal sewage treatment works, and to authorize the establishment of

CONSIDERATION OF H.R. 5721

MARCH 18, 1965.—Referred to the House Calendar and ordered to be printed

Mr. YOUNG, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 280]

The Committee on Rules, having had under consideration House Resolution 280, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 33

89TH CONGRESS
1ST SESSION

H. RES. 280

[Report No. 189]

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1965

Mr. YOUNG, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H.R. 5721) to
5 amend the Agricultural Adjustment Act of 1938, as
6 amended, to provide for acreage-poundage marketing quotas
7 for tobacco, to amend the tobacco price support provisions
8 of the Agricultural Act of 1949, as amended, and for other
9 purposes. After general debate, which shall be confined to
10 the bill and shall continue not to exceed two hours, to be
11 equally divided and controlled by the chairman and ranking
12 minority member of the Committee on Agriculture, the bill

1 shall be read for amendment under the five-minute rule. At
 2 the conclusion of the consideration of the bill for amend-
 3 ment, the Committee shall rise and report the bill to the
 4 House with such amendments as may have been adopted,
 5 and the previous question shall be considered as ordered on
 6 the bill and amendments thereto to final passage without
 7 intervening motion except one motion to recommit.

House Calendar No. 33

89TH CONGRESS
1ST SESSION

H. RES. 280

[Report No. 189]

RESOLUTION

Providing for consideration of H.R. 5721, a bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

By Mr. YOUNG

MARCH 18, 1965

Referred to the House Calendar and ordered to be printed

the progress of the Coast Guard. I concur wholeheartedly with it.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. DOWNING. I yield to the gentleman from Virginia.

Mr. HARDY. I should like to commend the committee for an item in the bill which provides for advance design and planning work.

I notice there is included among the items involved the survey and acquisition to consolidate certain facilities in the Norfolk, Va., area. There is a very serious need for improvement of the facilities at Norfolk. I am delighted to see this item here.

I should like to determine, if I can, whether the committee is aware of any specific location to which this expenditure may be tied.

Mr. DOWNING. I say to the gentleman from Virginia that nothing developed in the hearings on this bill which would lead anyone to a conclusion that a fixed location has been selected. It is flexible, and it is not aimed at any one existing location.

Mr. HARDY. I certainly thank the gentleman. I am aware of at least one location with which the Coast Guard has been concerned.

I am interested in the most effective utilization of that particular property. I am also interested in the Coast Guard's having facilities which it requires to best serve its needs. I should like to cooperate with the Coast Guard in the future, but I am not at all sure that the site they have in mind now is the best one for this particular purpose. I wanted to be sure the RECORD would so indicate.

Mr. DOWNING. I agree with the gentleman. I assure him we will cooperate in every way.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. DOWNING. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I thank the gentleman for yielding.

I commend the committee for the bill which has been brought to the floor. I believe the Coast Guard is one of the outstanding agencies of our Government and one which very few people inland in the country fully appreciate and understand. The job they do in safeguarding life and property on the seas is an absolutely indispensable one.

The support which is being extended to the Coast Guard and the improvements being made possible by this bill certainly are entirely justified.

I strongly support the bill.

Mr. DOWNING. I completely agree with the gentleman.

Mr. GARMATZ. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Missouri [Mrs. SULLIVAN].

[Mrs. SULLIVAN addressed the Committee. Her remarks will appear hereafter in the Appendix.]

Mr. GARMATZ. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. ROGERS].

[Mr. ROGERS of Florida asked and was given permission to revise and extend his remarks.]

Mr. ROGERS of Florida. Mr. Chairman, I thank the gentleman from Maryland very much for yielding me this time.

All of us, I think, are very much aware of the need for the passage of this bill. Certainly Members should bear in mind that the Coast Guard is one Government agency which the American taxpayer gets the direct benefits from and probably more for each dollar spent than any other agency. Over the last 10 years the U.S. Coast Guard has rescued 21,888 persons and the property saved by them has been estimated at more than \$15 billion. This figure represents more than five times the amount that the Coast Guard cost the taxpayers of this country. You know, many of the Coast Guard services go unheralded. We had a typical event happen in our own Florida port of Miami, in March of last year. There was a motor vessel called *Grotedyk* which was denied entry into Miami Harbor because the Coast Guard was concerned about a fire which they discovered burning in the ship's hold. Her cargo included, among other things, 23 tons of matches. The Coast Guard immediately came to the rescue and helped to put out the fire and unloaded the cargo without any casualties. It did not allow the ship to get into the harbor, where untold damage would have occurred, until all danger had disappeared. Also the Coast Guard is doing double duty in our area of the country and along the New England coast as a result of Russian trawlers using Cuban ports. While the Coast Guard rescues many Cubans seeking refuge, it all too often finds only bullet-riddled boats as evidence of Castro's harbor police action. Last year over 7,000 Cubans arrived in the United States in 806 small boats, yet estimates from exile groups show that for every one Cuban who makes it to safety in the United States 3 have been killed by Castro's patrols at sea.

Also, of course, this agency contributes to our domestic economy in the safety program it carries on throughout most of our inland waterways as well as along our seacoasts. So, if anyone takes a look at what the Coast Guard is doing and at the modest amount that has been asked for in this bill, I am sure they would overwhelmingly support this legislation. In fact, I believe we should increase the amount requested because of the needs of the Coast Guard and the fine job that they are performing for the American people.

Mr. Chairman, I urge support of this legislation.

Mr. TUPPER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. GROVER].

[Mr. GROVER asked and was given permission to revise and extend his remarks.]

Mr. GROVER. Mr. Chairman, as a member of the Coast Guard Subcommittee, I fully support this legislation.

I concur with the remarks of my colleagues in that the Coast Guard gives a return dollar for dollar in the excellence of the performance of its duties.

I, too, commend the dedicated work of the Honorable James Reed, the Assistant Secretary of the Treasury, in the administration of this great branch of

the service, and I compliment the chairman of the subcommittee and the ranking minority member for their devotion to the work of the Coast Guard.

My only regret is that the Treasury Department and the Bureau of the Budget have in 2 years made excessive cuts in the Coast Guard's requests.

Coming as I do from a maritime county, I have observed firsthand the great work of the Coast Guard and I am aware of the problems of obsolescence and the growing needs of the Guard, if it is to serve the growing needs of the American public.

Mr. GARMATZ. Mr. Chairman, I yield such time as he may require to the gentleman from Connecticut [Mr. ST. ONGE].

[Mr. ST. ONGE asked and was given permission to revise and extend his remarks.]

Mr. ST. ONGE. Mr. Chairman, as was indicated by the very able and distinguished chairman of the subcommittee, an amendment to this bill will be presented which will require an additional \$5 million in authorization of funds so that the Coast Guard can take the preliminary steps toward consolidating its operations in the New York area at Fort Jay on Governor's Island. Because the number of units is not large enough and the personnel involved is not sufficient to make that move economically feasible, the Coast Guard has seen fit to transfer from Groton, Conn., in my district, the Coast Guard training station. This unfortunately will have a very serious impact on the economy of southeastern Connecticut because the transfer of the Coast Guard training station from Groton will affect about 1,000 people, including in it 52 commissioned and warrant officers, 437 enlisted personnel, 3 civilian employees, 543 transient students, and 15 officers.

The total annual salaries for all these people amounts to more than \$5.5 million. Needless to say, this loss will constitute a severe economic blow to all of southeastern Connecticut. This is going to have a serious effect on the economy of southeastern Connecticut.

While I think the consolidation of the Coast Guard units in the New York area on Fort Jay is an excellent thing, and certainly I did not oppose it in the subcommittee, I did attempt in the subcommittee to delete the Coast Guard training station from this move by moving that none of the funds provided in this \$5 million amendment could be used for this transfer. My motion was not successful and I do not intend to repeat it here this afternoon.

I think it is unfortunate that where a unit of the military—and this may be considered a unit of the military—has sufficient land, has a good location, that it be moved just to sweeten the pot, shall we say, and certainly I protested the move very, very vigorously.

I want the RECORD to be clear as to that point. I want to endorse all that has been said by one of the members of the subcommittee concerning the operation of the Coast Guard as a whole. In general they are performing an excellent service to the people of this country and for very little money. I sincerely

hope that in future years the authorization bill for the Coast Guard will more closely reflect the clearly demonstrated needs of the Coast Guard.

Mr. GILBERT. Mr. Chairman, I rise in support of H.R. 4527. I want to commend the distinguished chairman of our Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. BONNER], and the chairman of the Subcommittee on Coast Guard, Coast and Geodetic Survey and Navigation, the gentleman from Maryland [Mr. GARMATZ], for their excellent work on this bill in committee and on the floor. I thank the chairman and Mr. GARMATZ for their explanation of the importance and necessity for the authorization of funds requested.

As a member of the Committee on Merchant Marine and Fisheries, it was a privilege to work with our chairman and members of the committee on this bill. I attended the committee meetings and listened to the witnesses and I concluded that our Coast Guard should have the assistance this bill provides, and that it is imperative that Congress take necessary action to assure our Coast Guard adequate facilities, both ashore and afloat.

The Coast Guard has had to assume increased responsibilities in recent years. It performs vital missions and great services for our country; it is a valiant arm of our military services and deserves our support.

I am pleased that the Coast Guard acted so rapidly on the offer to take over Fort Jay on Governors Island, N.Y., and that our committee authorized the Coast Guard to accomplish this as quickly as possible. The acquisition of Governors Island will represent a notable advance in Coast Guard facilities and will not only permit the integration of activities in the New York area, but will furnish suitable space for future expansion. The consolidation of facilities at Fort Jay will be helpful to the Coast Guard and will also utilize space at Fort Jay which might otherwise be wasted.

I am happy to give my strong support and vote for H.R. 4527, which will enable our Coast Guard to properly perform its expanded functions and increased responsibilities. I urge all Members to vote in favor of this legislation.

Mr. GARMATZ. Mr. Chairman, I have no further requests for time.

Mr. TUPPER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated for fiscal year 1966 for the use of the Coast Guard as follows:

Vessels

For procurement, extension of service life, and increasing capability of vessels, \$71,316,000.

(A) Procurement:

- (1) three high-endurance cutters;
- (2) five medium-endurance cutters;
- (3) two inland tenders;
- (4) one river tender; and

- (5) three small patrol cutters.
- (B) Extension of service life:
 - (1) improve icebreakers;
 - (2) enlarge operations center on four 255-foot high-endurance cutters; and
 - (3) rehabilitate one 183-foot reserve training vessel.
- (C) Increasing capability:
 - (1) install oceanographic equipment on nine high-endurance cutters;
 - (2) install secure communications on seven high-endurance cutters;
 - (3) improve two seagoing tenders by installation of bow thrusters; and
 - (4) convert one barge for operation with river tender.

Aircraft

For procurement of aircraft, \$16,498,000:

- (1) thirteen medium-range helicopters;
- (2) four long-range helicopters; and
- (3) one long-range aircraft.

Construction

For establishment or development of installations and facilities by acquisition, construction, conversion, extension, or installation of permanent or temporary public works, including the preparation of sites and furnishing of appurtenances, utilities, and equipment for the following \$21,436,000.

- (1) Atlantic Coast: Offshore light platform at New York Harbor entrance;
- (2) Air Station, New Orleans, Louisiana: Hangar construction;
- (3) Alaska: Hangar fire protection at air station, Annette Island, and landing pads for helicopters at various locations;
- (4) Saugerties, New York: Operational, administrative, and maintenance facilities for light attendant station;
- (5) Station, Boothbay Harbor, Maine: Operational, administrative, and maintenance facilities and public family quarters;
- (6) Station, Ocean City, Maryland: Moorings;
- (7) Rio Vista, California: Operational, administrative, and maintenance facilities for multipurpose Coast Guard station;
- (8) Electronics Engineering Station, Wildwood, New Jersey: Administration-laboratory building and supply building;
- (9) Southern California: Communications facilities improvement;
- (10) Base, Galveston, Texas: Pier for medium-endurance cutter;
- (11) Base, South Portland, Maine: Operational and administrative facilities;
- (12) Grand Isle, Louisiana: Loran-A station;
- (13) Station, New Castle, New Hampshire: Operational, administrative, and maintenance facilities and public family quarters;
- (14) Station, Ilwaco, Washington: Operational, administrative, and maintenance facilities and public family quarters;
- (15) Station, Avon, New Jersey: Barracks building and public family quarters;
- (16) Florence, Nebraska: Moorings for river tender;
- (17) Base, New Orleans, Louisiana: Barracks and administrative and operations facility on leased premises with long-term lease;
- (18) Air Station, Elizabeth City, North Carolina: Barracks building and sewage disposal facility;
- (19) Air Station, Barbers Point, Hawaii: Barracks building;
- (20) Yard, Curtis Bay, Maryland: Replace crane;
- (21) Station, Corpus Christi, Texas: Wharf extension for medium-endurance cutters;
- (22) Recruit Training Center, Cape May, New Jersey: Barracks building;
- (23) Recruit Training Center, Alameda, California: Galley and mess hall building;
- (24) Academy, New London, Connecticut: Develop waterfront and other improvements;
- (25) Various locations: Aids to navigation projects including, where necessary, advance planning and acquisition of sites; and

(26) Various locations: Advance planning, construction design, architectural services, and acquisition of sites in connection with public works projects not otherwise authorized by law.

Mr. GARMATZ (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

On page 3, delete line 4, and insert in lieu thereof the following: "\$26,436,000:"

On page 5, line 11, delete the word "and".

On page 5, line 15, delete the period and insert in lieu thereof the following: "; and".

On page 5, following line 15, insert the following:

"(27) Fort Jay, Governors Island, New York: Alteration, addition, expansion and extension to facilities acquired from the Department of the Army."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. GAIAMO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4527) to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard, pursuant to House Resolution 277, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AMENDMENTS TO AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. YOUNG, from the Committee on Rules, reported the following privileged resolution (H. Res. 280, report No. 189) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended,

and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

GENERAL LEAVE TO EXTEND

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill H.R. 4527.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REMOVING FROM THE RECORD CERTAIN MATERIAL

Mr. VANIK. Mr. Speaker, I ask unanimous consent to expunge from the permanent Record an extension of remarks which appeared under my name on page A1211 of the CONGRESSIONAL RECORD of March 16.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADDRESS BY HON. ROBERT E. SWEENEY

(Mr. GILLIGAN asked and was given permission to extend his remarks at this point in the Record and to include an address by Hon. ROBERT E. SWEENEY, Representative at Large, from the State of Ohio.)

Mr. GILLIGAN. Mr. Speaker, I extend my remarks in the body of the CONGRESSIONAL RECORD and include therewith the principal address made by the Honorable ROBERT E. SWEENEY, Representative at Large from Ohio, on St. Patrick's evening at the banquet of the Ancient Order of Hibernians, in Cleveland, Ohio.

Mr. Toastmaster, your excellency the bishop, reverend clergy, distinguished public officials, officers and members of the Ancient Order of Hibernians, and lovers of St. Patrick—Irish and non-Irish alike. I am extremely honored by the invitation of the Ancient Order of Hibernians to address tonight's banquet. Being a product of an Hibernian home, the head of which once served as the national president of this great order, I am delighted to be your guest.

Tonight, we join ranks with the countless thousands throughout the world who commemorate an event which occurred some 1,504 years ago—the passing to his eternal reward of the Bishop of Armagh, the apostle and patron of the Irish race.

From Market Street in San Francisco to Fifth Avenue in New York, Irish and non-Irish march proudly shoulder to shoulder in commemoration of, and in honor of, a saint of God—and it is well that, in this day when the religious heritage of all of us is imperiled by the spread of atheist philosophy, that we stop and reserve such a day in tribute to a saint of such vast energy, unbending determination and broad vision—a veritable

maker of history, and a man who chose as his role in life to be a pioneer missionary in his apostolate in Ireland.

For in the day of St. Patrick, the world was engulfed in gloomy defeatism and it was the Bishop of Armagh who opened up new horizons to the church and won to the church a new people, whose native brilliance and radiant truth the Western World would realize within a few generations of his death, and whose mark would remain on the church and the world to the present day.

There have been many fantastic—but yet poetic—descriptions of St. Patrick down through the years, many patrician scholars have attempted to affect an understanding of this saint who freely styled himself as a "sinner most unlearned, the least of all the faithful, and utterly despised by many."

Here in the person of St. Patrick was found the most outstanding man of his century, a man born of misfortune, sold into bondage in his youth, and a part of a world in utter collapse.

According to St. Patrick's confessions, during the early days of his youth, while a slave boy in Ireland, he underwent his original spiritual experience, the discovery of his God—and it was in those early years that he developed the theme of his life, that for him, God was the beginning, the middle, and the end of all the supernatural.

It was St. Patrick's firm conviction that God had personally constituted him the apostle of Ireland, and in typical patrician simplicity in his confessions he spoke of his "certain belief that what I am I have received from God."

St. Patrick, noted for his missionary zeal, insofar as the conversion of the Emerald Isle was indeed a self-styled "poor exile for the love of God."

In this lovely self-description, we find revealed the true cosmopolitan character of a perfect foreign missionary and throughout his apostolate the Irish saint is revealed possessed of a courteous, magnanimous spirit by which he overcame adversity and converted Ireland. Which was then a barbarian land and which remained untouched by the classical rule of the Roman era in which he lived.

The greatest simple tribute to this venerable saint, who personally impressed his people to a degree perhaps unequaled by any other national apostle, is that unbroken bond that still unites him to his Irish people 1,504 years after his death.

For this faith of God is still cherished by the Celtic race, both at home in Ireland and abroad, and he enjoys unparalleled reverence scarcely excelled by that given to any other saint of antiquity. Is it any wonder, then, in the light of the accomplishment of St. Patrick, that on each March 17 in every celebration in his honor, Irishmen everywhere pay tribute to the spiritual heritage that flows to their race from St. Patrick.

Every Irishman knows that St. Patrick was an international citizen who had a sympathy for the sufferings of all people, regardless of national origin. And this gives easy explanation to why he went beyond the shores of his own homeland to adopt Ireland as his personal cause and to become the "exile for love of God" that he was.

St. Patrick could ill afford to be unmoved by the problems of the world of his day. He could ill afford to be passive in the face of the struggle between atheism and barbarism on one hand and theism and peace on the other.

He was a true example of Christian action. We say repeatedly in March 17 celebrations that ours is a spiritual heritage that flows to the Irish race from this saint of God. If, then, we are indeed the legatees of St. Patrick, worthy of this heritage, we will be active in defense of theism as it is attacked in our day and time. We shall condemn aggression and social injustice here at home

and in the world in which we live, as he did in his day.

We will not put territorial boundaries upon our charity and our concern for social justice, but will proceed to relieve the suffering and the want and the destruction that exists so apparently in the world about us. As Irish Americans, we will defend those Christian principles in our daily life as militantly as he would in his day. For we realize that Christian principles and traditions and cultures are under attack today by those who are irrevocably committed in support of Marxist-Leninist principles.

If we are worthy of the title of followers of St. Patrick, we will share a sympathy for those who are the victims of discrimination in our time. For, in the areas of social injustice, no people were discriminated against more in their day than those of the Irish race. And to be worthy of the heritage of St. Patrick, we must be willing to fight with unparalleled courage the economic and the political and the military battles of our country. We must be unwilling to give an inch when it comes to regarding as elastic those things that flow from the natural law of God. We must be understanding for we were once despised and rejected and discriminated against ourselves.

Remember well, the occasions of our suffering we Irish were a people that did not lose heart. But only fought the harder to succeed. We were always, and we pray God that we always shall be, loyal to the faith, never compromising its principles in order to gain acceptance in a materialistic society.

The ancient order of Hibernians, and all Irish-Catholic organizations of its like in the country on this St. Patrick's Day, proudly hail the accomplishments of the Irish race through the years—on the battlefields, in the struggle for freedom, in government, the arts, the professions, and in science.

But, as we sound the herald, let us face to the need for a greater sense of unity, to a greater all-encompassing charity, in an effort to foster that true missionary zeal. As we close this day dedicated to St. Patrick, a saint of antiquity so loved through the centuries, let us never lose sight of the true meaning of his life for us—let us not only thank God for his example, but pray sincerely for the grace to be inspired to imitate his ways.

PERSECUTION OF THE JEWS IN THE SOVIET UNION

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, I would like to say a few words concerning a resolution I have introduced, House Concurrent Resolution 177, condemning the persecution of the Jewish people in the Soviet Union.

We are now in the midst of the Jewish holiday of Purim. Throughout the world, the Jewish people are celebrating the anniversary of the fall of a tyrant who tried to destroy them.

That this ancient Persian dictator died on the very gallows he had constructed for the leaders of the Jewish community in his land should serve as a somber warning to any who would follow this vile path.

The fact, however, that these events occurred over 2,000 years ago in a distant Middle Eastern kingdom testifies to the dismaying regularity with which the vicious disease of anti-Semitism has infected humanity.

From Haman, Prime Minister of Persia, to Hitler, Chancellor of Germany, is

a span of some 24 centuries. Two very different men in two totally different cultures—yet both were afflicted by this same mania to murder a people who had contributed so much to civilization.

And now, once again, we are confronted with a similar spectacle in Soviet Russia. The Communist leaders have embarked on a ruthless campaign to destroy Judaism. While they have not actually set out physically to kill Russian Jewry, they are at least guilty of cultural genocide. They have deliberately attempted to eliminate all traces of Jewish culture, language, and religion from Russian life.

We cannot force the Russians to abandon this senseless course. We cannot even, I fear, hope to persuade them of its evil. But we can protest in the hope that, by joining in a chorus of outrage by civilized peoples everywhere, we will make them reconsider.

Events of recent years have shown that the Soviets are not entirely outside the influence of world opinion. If by our passage of this resolution, we contribute even just a small new measure of awareness on their part of how seriously the world views their barbarous conduct, then we shall have accomplished a most valuable deed. I sincerely hope the House will move to a speedy consideration of this resolution.

DISTRIBUTION OF RESEARCH AND DEVELOPMENT FUNDS TO EDUCATIONAL INSTITUTIONS PER SCIENTIST EMPLOYED

(Mr. ROUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSH. Mr. Speaker, in the studies of the House Subcommittee on Science, Research and Development on the geographical distribution of Federal research and development funds we find one criterion involving the number of scientists employed in educational institutions.

I believe a majority of my colleagues will agree an intimate connection can be assumed to exist between scientists in academic life and the research conducted by the educational institutions. It then follows that the number of scientists employed by the various educational institutions provides some measure of the research and development capabilities and potential of the institution.

Starting from this point a familiar pattern of distribution develops when we break down the dollars for research and development performance to educational institutions on the basis of per scientist employed by the institutions.

Patterns of research and development fund concentration which emerged in other methods of comparison are closely paralleled in this specific measurement of distribution. The other methods revealed high concentrations in the West, a portion of the East and a portion of the South. In this measurement the West and East remain as areas of high concentration of such funds.

Of the seven States of Ohio, Indiana, Illinois, Iowa, Michigan, Minnesota, and

Wisconsin only Illinois exceeds the national average of approximately \$25,000 in research and development funds per scientist employed in educational institutions in this area. Even then this one State exceeds the average distribution by only \$4,600. The shares of other States range from a high of \$15,000 per scientist in Michigan down to only \$9,000 in my own State of Indiana. In between these we find Minnesota, \$13,800; Iowa, \$13,000; Ohio, \$11,000; and Wisconsin, \$10,900.

Leading the national list is New Mexico with \$163,000 per scientist followed by Nevada with \$109,000 and California with \$63,000 per scientist. At the very bottom of the list is Maine with only \$4,000 per scientist.

I think also it should be noted only 8 of the 50 States exceed the national average on this basis of distribution. I believe also these facts lend further support to my view that this matter of the uneven geographic distribution of Federal research and development funds is involving our national interest.

LEGISLATION TO PERMIT REGULATED TRUCKERS TO CARRY MAIL

(Mr. DULSKI asked and was given permission to address the House for 1 minute to revise and extend his remarks, and to include extraneous matter.)

Mr. DULSKI. Mr. Speaker, I am today introducing legislation which will let regulated truckers carry mail. This proposal would allow the Post Office Department to ship mail between cities by truck on the same basis it now ships mail by train and by plane.

I have been warning the railroads for years that their constant reductions in passenger service would force the Post Office Department to seek other means of delivering the mail in order to provide prompt service which the American public has a right to expect.

I recognize the fact that the railroads have had to meet a changing pattern of passenger operations, but I do not feel that adequate consideration has been given to the needs of the mail service.

I continue to be fully sympathetic with the plight of the railroad workers who have seen their jobs fade away with the massive cutback in rail service. But it is apparent that the railroads have no intention of providing the service which is necessary to handle mail on a priority basis focused on mail-handling schedules.

The Postmaster General now has the authority to establish truck star routes for shorter runs where train service is curtailed or discontinued, but I believe that he should also have the authority to hire regulated truckers to handle the mail on both the shorter and even the longer routes between major cities. It has become a fact with respect to mail service in many cases today that mail from distant points reaches addressees faster than mail from interim points, and this is clearly a case of the interim points not being able to get their mail on the way because of cancellation of mail-carrying trains.

Regulated motor carriers long since have become an essential element of our national transportation system. They have flexibility that permits them to provide regularly scheduled service to every post office in the country.

Under unanimous consent, I wish to include the Interstate Commerce Commission's legislative recommendation No. 3 involving motor carrier transportation of mail as contained in the 78th annual report of the Commission, 1964:

ICC LEGISLATIVE RECOMMENDATION No. 3, INVOLVING MOTOR CARRIER TRANSPORTATION OF MAIL, AS CONTAINED IN THE 78TH ANNUAL REPORT OF THE COMMISSION (1964)

In furtherance of the national transportation policy, we recommend that the Congress give consideration to amending the Interstate Commerce Act and related statutes so as to provide for greater flexibility in the transportation of mail by authorizing more efficient use of regulated motor common carriers and the new Interstate Highway System.

The new Interstate Highway System, which is moving rapidly toward completion, places this Nation's transportation system on the threshold of a new era of safe, expeditious, and economical transportation over a vast network of limited-access, multilane highways, linking major population centers of the country. This Commission has embarked upon major investigations, noted elsewhere in this report, to study the impact of the new highway network upon the Nation's transportation economy and the manner in which it can be most effectively utilized in the public interest for the movement of passengers and property.

Present statutes, however, do not permit regulated motor common carriers to transport mail on a basis similar to which railroads and airlines and motorbuses are handling it so as to fully utilize these new superhighways. Highway transportation of mail by truck must be awarded to the lowest responsible bidder. This practice does not necessarily produce the best possible mail transportation service. There is a substantial likelihood that the services of the regulated motor common carrier system are not being utilized to the same extent as those of railroads, airlines, and buses so as to preserve the inherent advantages of highway transportation as the national transportation policy directs.

The proposed amendment to the act would be in furtherance of the objective of the national transportation policy of developing, coordinating, and preserving a national transportation system (by highway) adequate to meet the needs of the postal service.

I also include a section-by-section analysis of legislation to provide for the transportation of mail by motor vehicles.

SECTION-BY-SECTION ANALYSIS OF LEGISLATION TO PROVIDE FOR THE TRANSPORTATION OF MAIL BY MOTOR VEHICLES

In the broadest terms, this legislation is designed to place motor carriers of property in a position somewhat similar to that of the railroads and airlines in the transportation of mail. The legislation is basically designed after the Railway Mail Pay Act in that it directs the Interstate Commerce Commission to establish rates and at the same time it imposes an obligation on certain carriers to transport the mail and it imposes penalties for failure to perform adequate service.

Another important feature of the legislation is the section which preserves existing law under which the Postmaster General has procured truck transportation up to this time. A section-by-section analysis of the bill follows:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued

March 24, 1965

For actions of

March 23, 1965

89th-1st; No. 52

CONTENTS

Appropriations.....2	Housing.....9,15	Property.....7
Balance of payments.....14	Intergovernmental	Research.....11
Civil service.....5	relations.....8,17	School lunch.....2
Education.....4	Marketing orders.....18	SCS user charges.....6
Farm labor.....10	Milk.....2	Tobacco.....1
Foreign aid.....14	Older persons.....3	User charges.....6
Foreign currencies.....13	Personnel.....5,7,16	Urban development.....9
Forest Service.....7	Political activity.....16	

HIGHLIGHTS: House passed acreage-poundage tobacco bill. Rep. Trimble expressed opposition to proposed user charge on SCS technical assistance. House received and Rep. Reuss introduced and discussed bill to establish Dept. of Housing and Urban Development.

HOUSE

1. TOBACCO. By a vote of 206 to 170, passed with amendment H. R. 5721, to provide for acreage-poundage marketing quotas for tobacco (pp. 5482-5503). Agreed to an amendment by Rep. Stubblefield to provide that the Secretary of Agriculture shall hold hearings in areas in which any type of tobacco, except Flue-cured, is grown before he makes any determination as to quotas on a poundage basis (p. 5500). Rejected, 13 to 57, an amendment by Rep. O'Neal to strike out the provision that the bill shall become effective with the marketing year beginning

July 1, 1965, if approved by growers in a referendum (pp. 5500-02). Rejected a motion by Rep. Latta to recommit the bill to the Agriculture Committee (p. 5502). The committee report summarizes the provisions of the bill as follows:

"Farm poundage quotas would be established for all farms where Flue-cured tobacco is grown, beginning with the 1965 crop, if two-thirds or more of producers voting approve the shift from the present acreage to an acreage-poundage supply adjustment in a special referendum.

"For more than 90 percent of the Flue-cured tobacco producers, the average yields of their 3 best years in the 5 years 1959-63 would become the base upon which poundage quotas would be computed. Those with average yields below 80 percent of the average of their township or other community divisions would have their base raised to 80 percent of the average community yield. Those producers with average yields of more than 120 percent of the community yield would be given a base equal to three-fourths of their average farm yield plus one-fourth of the national yield goal of around 1,854 pounds, but in no event would these higher producers be brought down below 120 percent of the community yield average.

"A poundage quota then would be established for each farm by multiplying this yield by the farm's acreage allotment, and then reducing this figure by a percentage (estimated at 7 or 8 percent) sufficient to bring overall tobacco production to a level that would reduce the current Flue-cured tobacco surplus--now estimated to be in excess of 600 million pounds--by about 100 million pounds a year.

"Special provision is made to give the poundage program flexibility, by producers being able to market more or less than their quotas in one year and have their quotas for the following year adjusted accordingly. This will protect farmers who suffer a crop disaster or overproduce because of favorable growing conditions, in any year.

"This bill would restore Flue-cured acreage allotments to 95 percent of the 1964 allotments, wiping out most of the 19.5 percent acreage cut already announced for 1965, with the limit placed upon the poundage that may be marketed from this larger acreage.

"While this bill is intended at this time to deal with the problems of Flue-cured tobacco producers, it provides that other kinds of tobacco may be brought into an acreage-poundage program, if the Secretary of Agriculture determines that this program would result in more effective production adjustments, and if two-thirds or more of the producers of any other kind of tobacco, voting in a referendum, approve a shift to acreage-poundage quotas."

2. APPROPRIATIONS. Passed without amendment H. R. 6453, the D. C. appropriation bill for 1966. The bill includes funds for the D. C. school lunch and special milk programs. pp. 5468-79
3. OLDER PERSONS. The Rules Committee reported a resolution for consideration of H. R. 3708, to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services, and to establish in ~~NEW~~ an agency to be designated as the "Administration on Aging." pp. 5467, 5548
4. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 2362, to strengthen and improve educational quality and opportunities in the elementary and secondary schools. pp. 5467, 5548

The inference is that by disposing of certain forms of copper we will do less damage to our future security than by disposing of copper in other forms. Governor Ellington and his associates frankly acknowledged to the committee that, if the nuclear war studies indicate the need for additional copper, it will be necessary at a later date to make purchases to replace that which would be sold under H.R. 1496.

So, we have problem No. 1 on which the House is being asked to take the conclusion reached by the other body; namely, that our security is not threatened by releasing the 100,000 tons of copper. Members will recall that this is not a new matter of concern to me and to others of this body who believe that the stockpiles generally represent a great national asset that should not be indiscriminately dissipated. No release should be made from the stockpile except after careful consideration by the Congress and—under our bicameral system as I think it still exists today—this means consideration by each House of the Congress.

The second problem is one for which the Committee on Interior and Insular Affairs has direct responsibility: What will the impact of the release be on our domestic mining industry? Up until March 4, 1965, when the hearings were held in the other body, we had no idea that the release of copper would or could involve the release of additional zinc. During consideration of the legislation in the other body, as I indicated a moment ago, the disposal of brass was brought into the picture and brass, Mr. Speaker, contains approximately 30 percent zinc.

It is quite impossible to tell from H.R. 1496 whether we are being asked to authorize the release of 200,000 tons of zinc or a little under 230,000 tons. I think the limit is 200,000 tons but I have been told that others believe that it is closer to 230,000 tons. Therefore, it becomes necessary to review the entire situation, including the history of the bill, and make it clear to the agencies downtown what we in the House believe and how we react and will react.

Let us remember these facts:

First. The zinc contained in brass and bronze is carried in the stockpile inventory as zinc and, of the approximately 1.5 million short tons of zinc in the stockpile, approximately 28,764 short tons are contained in brass and bronze, as indicated in a letter that I have received from the General Services Administration, dated March 12, 1965, which, under permission previously granted, I include at this point in my remarks:

DEAR MR. CHAIRMAN: With reference to your letter of March 11, 1965, we confirm that, in compliance with directions from the Office of Emergency Planning, quantities of lead and zinc contained in brass and bronze held by General Services Administration in the national stockpile are carried in our inventory statistics as part of the lead and zinc stockpiles.

For your further information in this connection, the records show that of the approximately 1.3 million short tons of lead in inventory, approximately 441 short tons are lead contained in brass and bronze, and of

the approximately 1.5 million short tons of zinc on hand, approximately 28,764 short tons are contained in brass and bronze.

Sincerely yours,

ROBERT T. GRIFFIN,
Acting Administrator.

Second. The Strategic and Critical Stock Piling Act requires the express approval of Congress of any proposed disposal unless disposal is by reason of excess materials being obsolescent. The Agricultural Trade Development and Assistance Act of 1954, as amended, which provides for the acquisition of materials and a supplemental stockpile, provides that releases may be made only in accordance with the procedure governing releases under the Strategic and Critical Materials Stock Piling Act. We are not dealing with obsolescent materials today.

Third. Following a pattern that has been established in the past, responsible executive agencies consulted with industry relative to the proposals to release zinc from the national stockpile. However, because of the uncertainty of the form that the legislation would take and the fact that the principal pending bills provided for direct loans to producers rather than for commercial sale, no consultations could be held with industry on the proposed copper disposals.

Fourth. The zinc producing industry, over the objections of some of its components, agreed to raise no objection to a release for sale of 150,000 short tons of zinc on the understanding that, following an initial release of 75,000 tons, the Administrator of General Services or his representative would once again consult with all segments of the industry to determine whether the sale of additional quantities of zinc should be undertaken.

Fifth. At this point, it was the understanding of all segments of the industry that the full Government proposal had been laid before them and that no changes would be made until after further consultation with industry. Despite this, when H.R. 1496 and H.R. 1658 were reported on by the administration, the executive agencies recommended that an additional 50,000 tons each of zinc and lead should be made available for direct use by agencies of the U.S. Government, thus raising the total release of each to 200,000 tons.

Sixth. The market prices of lead and zinc are such at the present time—after a long profit drought—to make it look feasible to conduct profitable mining operations if we can keep conditions from getting unbalanced and the market from deteriorating.

Seventh. Large releases from the stockpile could be disruptive of the normal markets.

Eighth. The proposed authorization to make copper available to the commercial market through the release of almost 100,000 tons of brass containing approximately 70,000 tons of copper results in an additional release of almost 30,000 tons of zinc. The brass will go to brass mills and foundries whose requirements were taken into consideration by the various segments of industry, producers, and consumers alike, as well as the Government agencies, in estimating the max-

imum commercial market requirement of 150,000 tons of zinc. Release of the brass will make it unnecessary for the brass mills and foundries to come in for a portion of the zinc being released, a fact which is doubly significant when considered in the light of the fact that the producing industry does not agree that the proposed allocation of 13,000 tons of zinc for alloyers, out of the initial 75,000-ton release, is necessary.

Ninth. Until the Senate committee reported out H.R. 1496 and the Senate passed it on the same day, March 11, 1965, there was no specific proposal that could be looked at by me and your Committee on Interior and Insular Affairs, with a view to estimating the market impact.

As you can see, Mr. Speaker, we are caught on the horns of a dilemma. If we say hold this up until we have an opportunity to study it, we are delaying the flow of much-needed materials to feed our industrial machines; if we were to merely accept H.R. 1496, as amended, we would be ignoring our responsibilities.

The Members of this body know me well enough to know that I will not ignore my responsibilities and that our committee will not ignore its responsibilities.

It is my own view that H.R. 1496, as amended, will, if enacted in its present form, require as a matter of law that the 30,000 tons of zinc contained in the brass be deducted from the approximately 1.5 million tons of zinc in the stockpile and therefore also deducted from the 150,000 tons of zinc authorized for release under section 1(1) of the act. I submit that both existing law, as referred to by me earlier in the factual situation that I have outlined, together with the language of H.R. 1496, make this abundantly clear. Being clear, it will be unnecessary for the administrators to look to the legislative history.

Nonetheless, in the event that they decide it is necessary to look at the legislative history, I am making this point here this afternoon and ask that the House, in passing this bill, specifically take this into consideration and that if anyone here disputes this stand he or she debate the matter with me now so that the record we make here on the floor will definitely be clear.

In addition, Mr. Speaker, I would like to assure all Members, and also our friends in the mining industry, that the House Committee on Interior and Insular Affairs will keep close watch on the sales of zinc, lead, and copper. After the initial releases have been made we will, if I think it is necessary, hold hearings to determine whether all of the materials authorized for disposal by H.R. 1496 should in fact be disposed of by the General Services Administration.

In this latter connection, let us keep in mind, and I am the first to recognize it, we do have built-in safeguards in the disposal legislation because, first, the legislation is discretionary in authorizing the Administrator of General Services to proceed; and second, the framework for exercising that discretion is spelled out in the act by requiring that the time and method of the disposals

shall be fixed with due regard to the protection of the United States without avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

Therefore, Mr. Speaker, confident that, with the cooperation of the administrative agencies, we shall be able to control the flow of materials so that they will not have an adverse effect on domestic industry, I shall not object to enactment of H.R. 1496 if the distinguished chairman of the Armed Services Committee, the gentleman from South Carolina [Mr. RIVERS], or the gentleman from Massachusetts [Mr. PHILBIN], chairman of the subcommittee that handled this legislation, can assure us that in his opinion it will not be detrimental to our security to dispose of materials containing approximately 100,000 short tons of copper.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I wish to associate myself with the remarks of my colleague, the gentleman from Colorado [Mr. ASPINALL], the chairman of the Committee on Interior and Insular Affairs.

While I will not object to consideration of this measure at this time, I want to serve notice that if the agencies downtown handling this matter do not keep faith with the Armed Services Committee and with our Committee on Interior and Insular Affairs that there will be no further dispositions from the stockpile in this manner.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Oklahoma [Mr. EDMONDSON], the chairman of the Subcommittee on Mines and Mining of the Committee on Interior and Insular Affairs.

Mr. EDMONDSON. I thank the chairman for yielding.

Like the chairman, I will not object to this particular bill at this time in the context in which it reaches us, principally, I believe, because of the great respect all of us have for the judgment of the gentleman from Massachusetts and the chairman of his full committee. But those of us who represent areas which have substantial mining interests are most hopeful that in the future there will be hearings before the subcommittee over which the gentleman from Massachusetts presides, on the full content of these bills, before they are brought to the floor for agreement in this fashion.

I thank the gentleman for yielding.

Mr. PIRNIE. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Speaker, I rise to register strong support for H.R. 1496 which has been returned to this House with a very important amendment added. The original bill, as passed by the House, dealt with the disposal of lead and zinc from our national stockpile. As a result of hearings conducted by the Senate Armed Services Committee, the bill has been amended to include copper in that list of materials to be released.

I will confine my remarks to that portion of the bill relating to a problem with which I have the greatest familiarity, that being the present shortage of copper and the adverse effect this shortage is having on the economic welfare of my district.

For purposes of subsequent discussion, I would like to emphasize portions of what I feel is a vital amendment to H.R. 1496. In part, it says:

That the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, from either the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) or the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)), or from both such stockpiles * * * (3) approximately 100,000 short tons of copper (part or all of which may be supplied in the form of brass and bronze, taking into account only the copper content thereof). The disposals authorized by this section may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, but the time and method of the disposals shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of procedures, processors, and consumers against avoidable disruption of their usual markets.

Constituents, colleagues, and representatives of the copper industry have all expressed to me the great need for the release of copper from our national stockpile at the earliest feasible date.

In my district alone, the job security of about 5,000 production workers in 7 different plants depends on the availability of copper. The present critical copper shortage has forced these plants to curtail their operations by as much as 35 percent. And, of course, some workers have been forced to idleness, not by choice, but by chance.

On a national basis, many, many times that number of workers have their jobs in jeopardy and face even dimmer prospects for the future unless we, here in the Congress, take prompt and decisive action to provide assistance. Passage of H.R. 1496 will be a giant step in the right direction.

I have said this before and I would like to repeat it now:

At a time when all of us here on Capitol Hill are exploring new programs designed to create more jobs, let us not miss this opportunity to preserve existing jobs.

Mr. Speaker, I was the first Member of the House to introduce legislation to permit release of copper from our national stockpile. My bill, H.R. 2236, would have authorized the temporary release of 100,000 short tons of copper from the national stockpile on a loan basis. The distinguished majority leader of the other body, the gentleman from Montana [Mr. MANSFIELD], introduced a similar measure.

When H.R. 1496 was in committee and originally before the House, we were not able to include provisions for the release of copper because we had not yet received the necessary reports from which we would base our decision. We passed the bill without reference to copper, hopeful that subsequently the reports would be in and that the bill could be

amended by the Senate so that copper would be added to the list of materials. This is exactly what happened.

The bill before us differs from my bill with respect to the handling of copper in that it would authorize the release of the product on an outright sale rather than on a loan basis.

Originally, I had stipulated that the release be in the form of a loan because I wanted to make certain that we would not short change our national stockpile objectives. I am pleased to report that a determination has since been made that the Defense Production Act inventory contains a surplus of 257,184 short tons of copper from which the disposal contemplated in H.R. 1496 can be made.

In closing, Mr. Speaker, I would like to draw from a statement made by me in this Chamber on January 11 when I introduced H.R. 2236:

Favorable action on this bill will demonstrate our sincere interest in coming to grips with a serious problem and solving it without in any way endangering our national security objectives or expending vast sums of money. Clearly, the Federal Government has an opportunity, in fact an obligation, to help preserve jobs and strengthen our economy. I believe passage of this bill will do just that.

That same statement applies to the measure that is now before us. I again urge that we in the House give it favorable consideration.

(Mr. PIRNIE asked and was given permission to revise and extend his remarks.)

The SPEAKER. The Chair had understood that this matter had been cleared. The Chair does not wish to interfere, but has a responsibility in connection with another bill which has been programed. If the colloquy is going to take much longer, the Chair will have to suggest to the gentleman from Massachusetts that he withdraw his request and take it up later in the day.

Mr. ASPINALL. Mr. Speaker, I will yield to the gentleman from Massachusetts to make any statement. I have about 2 more minutes, and that is all. Our committee certainly has the right to be heard on this, and we had an understanding there would be a colloquy.

The SPEAKER. The Chair recognizes that, but the Chair has the responsibility and, in the light of this, the Chair suggests that the gentleman from Massachusetts withdraw his request and take the matter up later in the day.

Mr. PHILBIN. I will comply with the request of the Speaker. Mr. Speaker, I request that the matter be withdrawn.

TOBACCO ACREAGE-POUNDAGE MARKETING QUOTAS

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 280 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-

poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. YOUNG. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ANDERSON] and pending which I yield myself such time as I may require.

(Mr. YOUNG asked and was given permission to revise and extend his remarks.)

Mr. YOUNG. Mr. Speaker, House Resolution 280 provides for consideration of H.R. 5721, to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes. The resolution provides an open rule with 2 hours of general debate.

The tobacco program has been the most successful of all farm programs. In the 32-year history of Government farm programs, the tobacco program has cost only \$38 million. And during these 32 years Federal and State governments have collected \$52 billion in taxes on tobacco and tobacco products.

In recent years, however, excessive supplies have accumulated because of dramatic increases in the per acre yields of tobacco. Surpluses now endanger the tobacco program.

Moreover, the United States have failed to share in the increase in world tobacco trade.

In order to provide a more effective method of maintaining supplies in line with demand, to improve the quality of U.S. tobacco and to increase exports, H.R. 5721 would supplement the present acreage allotment program for Flue-cured tobacco by the addition of farm poundage quotas.

Mr. Speaker, I urge the adoption of House Resolution 280.

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I think that, in conjunction with the discussion of the rule which would make in order the consideration of this bill, perhaps the most important point I would make is simply this: That at first blush this is a bill that would affect in reality only about five States of the United States, I believe. The States of Virginia, North Carolina, South Carolina, Florida, and Georgia are the five States that are the principal tobacco-producing areas in the country. Yet I think if the Members of the House have taken the time to read not only

the committee report but in particular the minority views of the gentleman from Ohio and the gentleman from Illinois, they will find out it is a far more important bill than that. Rather than merely affecting the possible destinies of the tobacco farmers in these five States, this bill, if enacted in its present form, could have a real impact on the kind of agricultural legislation we may expect in the future. Because for the first time, as I understand it, from the hearings that were held before the Committee on Rules and from a study of this report, we would be introducing supply management with a vengeance. We would be putting into effect the idea of bushels and bales and pounds control in addition to acreage allotments, which is something, of course, the planners have had in mind for American agriculture for a long time. I would point out, Mr. Speaker, it is somewhat interesting at this point really to find a bill of this kind coming on the floor apparently with the approval of the Secretary of Agriculture and the Department he heads, because, as I recall it, it was not many days ago that Mr. Freeman in one of his public utterances made reference to the fact that maybe the farmers of America were going to have to look to some other source than Government programs in order to share in the present prosperity and to get the kind of income they deserved.

He indicated that maybe the housewife was going to have to pay a little bit more for bread in the marketplace, or a little bit more for a quart of milk. And this was the area, the area of the marketplace, in which we were going to be able to bring some relief to American agriculture. Yet today in this bill we find the Johnson administration going back once again to a supply-management program with all that implies in the way of controls and Government regimentation.

I know that there are members of the House Committee on Agriculture on the Republican side of the aisle who are here today and are going to discuss this bill in detail. I would merely point out that even the majority in their report emphasize, on page 3, that this is not a simple bill. The formula which would be used to determine the poundage allotments and acreage allotments under this legislation is extremely complex and difficult. I would say that the majority report which accompanied this bill was rather unique in that it seems to be damning with faint praise the very program upon which they would now seek to embark. The majority report in a burst of candor points out that this is not the best plan; it is not the ultimate solution; it is going to have to be amended as we gain experience under this legislation. Indeed, if you read this particular report and if you listen to the debate you are going to wonder if it is not premature for the majority of the committee to be asking the House of Representatives to embark upon a program of this kind without further study being given to this important matter.

Mr. Speaker, I believe this legislation is imprudent and basically unsound. It would serve as a precedent that admin-

istration planners could then use to establish similar supply management program for feed grains, wheat, and all other agricultural commodities.

Mr. YOUNG. Mr. Speaker, I yield 5 minutes to the gentleman from Utah [Mr. KING].

(Mr. KING of Utah asked and was given permission to revise and extend his remarks.)

Mr. KING of Utah. Mr. Speaker, in my opinion the present bill entangles us in an inconsistency so outrageous that I find myself quite incapable of supporting it.

It is true that consistency is not always a virtue, as for example when a man is consistently wrong. But consistency is a virtue when it causes one to act in accordance with the best light that he has. The trouble with this bill is that it acts in accordance with a light that has faded, and that it reflects the thinking of a point of view now completely discredited.

This bill continues to drag the Nation down the old tobacco road: a road which modern scientists have warned must be abandoned at the peril of serious national consequences.

Every year our ruts grow deeper, and our foolishness more apparent. Every year we find it more difficult to do what our commonsense tells us should have been done a long time ago. How many more lives will be blighted, how many more people will die unnecessarily, before we summon the courage to abandon this tobacco support program, and tell the public the truth?

A little over a year ago the Advisory Committee made its official report on tobacco to the Surgeon General. It appears in the Public Health Service Publication, No. 1103, and bears the title "Smoking and Health." The report merely put the official stamp of approval on what had been known and accepted by almost all knowledgeable scientists as well as the general public for many years.

The report reached the irrefutable conclusion that the use of tobacco, especially cigarettes, is causally linked to several diseases, including lung cancer, cardiovascular diseases, chronic bronchitis, and emphysema. This conclusion was corroborated by almost innumerable population studies, animal experiments, and clinical and autopsy reports. One epidemiological study showed that:

The death rate for smokers of cigarettes only, who were smoking at the time of entry into the particular prospective study, is about 70 percent higher than for non-smokers.

The report concluded:

Cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action.

The National Cancer Institute of the National Institutes of Health estimates that 850,000 Americans will be under medical treatment for some form of cancer in 1965—550,000 of these will be new cases, diagnosed for the first time; 295,000 will die from this dread scourge this year, and the number is increasing alarmingly.

There will be 52,000 new cases of lung cancer this year, and overall deaths from this cause will reach 47,000. In 1962 the figure was only 41,000, but in 1930, only 3,000. The survival rate is less than 5 percent, among all lung cancer victims. This means that less than 5 percent of those who were diagnosed as having lung cancer 5 years ago, are alive today.

Tobacco, of course, cannot be considered the sole cause or even the principal cause of all types of cancer, but it has definitely been identified as the principal cause of lung cancer, and a substantially contributing cause of other types of cancer, as well as other diseases.

When we see these figures, our conscience becomes troubled. We decide to do something about it. This year we will spend over \$150 million through the National Cancer Institute, to find out ways of resisting the spread of cancer. Other agencies, too, get in on the act. The Public Health Service, the Veterans' Administration and other agencies, in conjunction with the above referred to National Cancer Institute, spend a grand total of \$267 million a year on cancer research. If you add to this figure the money spent by private agencies such as the American Cancer Society, the Damon Runyan Fund, the Eleanor Roosevelt Memorial Foundation, and others, you arrive at the staggering figure of \$347 million, which represents the total money spent by this Nation every year for the purpose of cutting down the incidence of cancer.

And yet, Mr. Speaker, every person in this Chamber knows that there is a far more effective way to dramatically reduce the incidence of cancer. This way will not only not cost society hundreds of millions of dollars, but it will actually save society hundreds of millions of dollars. I am referring, of course, to the withdrawal of Government support from the tobacco program.

From the figures available to me, the tobacco program has cost the Government a net of \$38 million since its inception. I cannot understand the logical justification for our spending untold millions of dollars to reduce cancer, on the one hand, and for spending additional untold millions of dollars to promote a program which will increase cancer, on the other. This is the outrageous inconsistency of which I spoke. This is the reason I cannot support this measure. This is the reason why I urge all Members to heed this warning.

Mr. YOUNG. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5721, with Mr. EDMONDSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, tobacco is grown in 21 of our Nation's States by some 750,000 farm families. About 3 million Americans comprise these farm families depending in whole or in part upon the growing of tobacco.

There are some 550 plants, employing around 100,000 workers in 30 States, engaged in the manufacture of tobacco products.

Approximately 1,500,000 businesses share in the tobacco trade.

Our Federal, State, and local governments collect annually about \$3,500 million in taxes on tobacco and tobacco products.

Tobacco exports comprise one of America's principal stabilizing factors in our balance of payments with the rest of the world. Tobacco exports have brought in from abroad \$10 billion since our tobacco program has been operating.

Domestically and in export, tobacco is an \$8 billion annual business for the United States.

THE TOBACCO PROGRAM

Mr. Chairman, the tobacco program has been the most successful of all farm programs. In the 32-year history of Government farm programs, the tobacco program has cost only \$38 million. Compare this with the \$52 billion in taxes collected upon tobacco in the same years. The revenues from tobacco have yielded to the Government substantially more than twice the cost of all farm price-support programs for all crops since these programs were inaugurated in 1933.

But, Mr. Chairman, in recent years excessive supplies of tobacco have accumulated because of dramatic increases in the per acre yields of tobacco. Surpluses now endanger the tobacco program.

Moreover, the United States has failed to share in the increase in world tobacco trade.

That, Mr. Chairman, is the reason we come before the House today with H.R. 5721, seeking the favorable consideration of this body.

In order to provide a more effective method of maintaining supplies in line with demand, to improve the quality of U.S. tobacco and to increase exports, H.R. 5721 would supplement the present acreage allotment program for Flue-cured tobacco by the addition of farm poundage quotas.

I shall give the House at this time a brief explanation of the bill. A more detailed analysis may be found in our committee's report.

BRIEF EXPLANATION OF H.R. 5721

Farm poundage quotas would be established for all farms where Flue-cured tobacco is grown, beginning with the 1965 crop, if two-thirds or more of pro-

ducer's voting approve the shift from the present acreage to an acreage-poundage supply adjustment in a special referendum.

For more than 90 percent of the Flue-cured tobacco producers, the average yields of their 3 best years in the 5 years 1959-63 would become the base upon which poundage quotas would be computed. Those with average yields below 80 percent of the average of their township or other community divisions would have their base raised to 80 percent of the average community yield. Those producers with average yields of more than 120 percent of the community yield would be given a base equal to three-fourths of their average farm yield plus one-fourth of the national yield goal of around 1,854 pounds, but in no event would these higher producers be brought down below 120 percent of the community yield average.

A poundage quota then would be established for each farm by multiplying this yield by the farm's acreage allotment, and then reducing this figure by a percentage—estimated at 7 or 8 percent—sufficient to bring overall tobacco production to a level that would reduce the current Flue-cured tobacco surplus—now estimated to be in excess of 600 million pounds—by about 100 million pounds a year.

Special provision is made to give the poundage program flexibility, by producers being able to market more or less than their quotas in one year and have their quotas for the following year adjusted accordingly. This will protect farmers who suffer a crop disaster or overproduce because of favorable growing conditions, in any year.

This bill would restore Flue-cured acreage allotments to 95 percent of the 1964 allotments, wiping out most of the 19.5 percent acreage cut already announced for 1965, with the limit placed upon the poundage that may be marketed from this larger acreage.

While this bill is intended at this time to deal with the problems of Flue-cured tobacco producers, it provides that other kinds of tobacco may be brought into an acreage-poundage program, if the Secretary of Agriculture determines that this program would result in more effective production adjustments, and if two-thirds or more of the producers of any other kind of tobacco, voting in a referendum, approve a shift to acreage-poundage quotas.

BROAD SUPPORT FOR PROGRAM

The shift from acreage to acreage-poundage management of Flue-cured tobacco production has wide general support among producers. The tobacco program has been the difference between economic prostration and prosperity for these farmers, and they have been willing to make any sacrifice in years past, through severe acreage reductions, to protect this program.

However, while the general principle of poundage controls is broadly accepted, there are differences among producers on the method of establishing the poundage base for each farm.

At the next meeting of the House, after receipt of the President's farm message,

I introduced H.R. 4532, the first acreage-poundage bill prepared by the Department of Agriculture at the request of a substantial number of tobacco producers and others in the tobacco industry.

Subsequently, the Tobacco Subcommittee held public hearings in Washington and in the Flue-cured tobacco producing area. Statements were received from more than 200 persons in these hearings. The subcommittee found that many farmers from the principal producing States—Virginia, North Carolina, South Carolina, Georgia, and Florida—were not satisfied with the legislation. The subcommittee received their suggestions, and revised the legislation in the purpose of making it more equitable to producers.

H.R. 5721 embraces the revisions and refinements written by the subcommittee.

When the proposal for acreage-poundage quotas first was submitted it was certain then that writing a simple and equitable bill would be very difficult, even after the Committee on Agriculture had done the very best it could. The bill in its present form is far from simple. It represents the committee's best effort in the time at hand, in our determination to bring this legislation to enactment in time for poundage quotas to be applied to the 1965 Flue-cured crop, if producers so approve.

H.R. 5721 was endorsed by the Secretary of Agriculture, in a letter to the chairmen of the Committee on Agriculture, dated March 3, as embracing the best plan yet presented for acreage-poundage quotas. You will find the Secretary's letter printed in the committee report.

As we gain experience in the operation through poundage-quotas, we certainly shall be able to improve this program by perfecting legislation in the years ahead.

WHY 1965?

A substantial number of farmers, while approving the poundage approach to supply adjustment, oppose the poundage program for 1965. They contend that planning for the 1965 crop of tobacco, including land leases, tenant arrangements, and production materials, is too far advanced, and this would impose hardships upon many producers.

On the other hand, those pressing for inauguration of the poundage program in 1965 stress that under the current acreage allotment program, with the continued explosion of per-acre yields, new tons of tobacco will be piled upon the present surplus heap, making immensely more difficult any shift to a poundage program in the future.

It has been the determination of the Committee on Agriculture from the outset to bring forward promptly an acreage-poundage bill, providing for a referendum in which farmers may freely make the decision for themselves.

H.R. 5721 NOT THE ULTIMATE ANSWER

Mr. Chairman, while this legislation proposes to protect the integrity of the tobacco program in the immediate years ahead, the committee does not deem it to be the ultimate answer for the tobacco producer. The tobacco farmer

needs and must have broader markets, and these markets can be found in export.

The fortunes of American tobacco in the future, as in the past, will lie largely across the seas.

America and the tobacco industry grew up together. Tobacco was the economic base of the colonies that gained early footholds in the New World. The world learned about tobacco from the American Indian. Jamestown, the first permanent English settlement in America, was the world's first tobacco export market.

Tobacco exports and domestic excises maintained the financial integrity of our Nation before the world during this Nation's formative years.

Our tobacco has been the hallmark of quality throughout the world. The reputation of our tobacco has enabled America to hold a dominant position in world markets for 350 years. Consumers around the world have demanded tobacco products containing high percentages of U.S. leaf with its characteristic flavor and aroma. The high quality of American tobacco has reflected the extremely advantageous conditions under which tobacco is produced in the United States.

We have the soil, climate, and good farmers with know-how to grow tobacco that is equaled in quality nowhere else in the world.

Nevertheless, our superior quality leaf, while maintaining its established volume in export, has not shared in the increased markets for tobacco around the world. Tobaccos of lower quality, produced in other areas of the world and offered at prices much below the American price, have moved into the expanding world markets.

Steps must be taken to make American tobacco more competitive around the world.

A PROPOSAL FOR TOBACCO'S FUTURE

Mr. Chairman, on January 6, I wrote to the President proposing that, of the billions of dollars collected through tobacco excises, the Federal Government plow back 1 cent of the 8-cent-a-pack levy upon cigarettes, in programs to increase America's share of foreign tobacco markets, to maintain the stability and prosperity of tobacco producers, and to undertake research in the field of smoking and health.

This proposal was discussed before the Tobacco Subcommittee during its hearings on the legislation presented by this report. The Under Secretary of Agriculture, Hon. Charles S. Murphy, made a statement before the subcommittee giving this proposal his enthusiastic endorsement.

So that the Members of the House may be aware of this proposal, during the consideration of H.R. 5721, I am making this letter to the President a part of my remarks, as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C., January 6, 1965.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I commend your recommendation, presented in the state of the Union message, that family purchasing power

be strengthened by a substantial cut in Federal excise taxes. Such an adjustment should contribute in a very sound and solid way to a growing economy and a strong nation.

You did not set forth, in your message, what precise excises you want reduced; but the press on December 27, 1964, reported that you would ask the Congress to repeal or cut all these levies except those upon tobacco products, alcoholic beverages, and highway use.

The tobacco tax is one of the oldest levies in our revenue system. Perhaps no tax is felt by a greater number of our citizens, from the tobacco producer, through workers in manufacturing plants, on to the user of tobacco products. Therefore, I respectfully submit a suggestion with respect to this tax, embraced in the context of these facts:

1. Since 1933, when the tobacco program and other farm programs first were inaugurated, Federal and State Governments have collected \$52,019 million in excise taxes upon tobacco and tobacco products—the Federal Government \$39,431 million and State governments \$12,588 million.

2. The \$39 billion from Federal tobacco collections alone during this 32-year period are substantially more than twice the grand total of \$15.026 million expended by the Government through the Commodity Credit Corporation on all farm price support programs for all crops since these programs were inaugurated. The Federal tobacco levies have yielded more money than the combined costs of all these farm price support programs and the food-for-peace program through which this country has invested \$12,486 million to lessen hunger among friendly peoples around the world.

3. While \$52 billion has been collected in tobacco excises by Federal and State Governments, the cost of the tobacco program, which has protected the income of tobacco farmers since 1933, has been only \$38 million.

4. Meanwhile, during these 32 years, our tobacco and tobacco product exports—without any export subsidy—have amounted to \$10 billion, contributing substantially to our Nation's balance of payments with other countries. In this connection it might be well to mention that during the first 100 years of our history as a nation, it was the export of tobacco and cotton that maintained America's financial integrity before the world.

5. Tobacco is an \$8 billion industry in the United States. Hundreds of thousands of farm families in 21 States are engaged in the growing of tobacco. There are some 550 plants, employing approximately 100,000 workers in 30 States, engaged in the manufacture of tobacco products. Approximately 1,500,000 businesses with many hundreds of thousands of workers are in the tobacco trade.

6. The \$3 billion-plus now collected annually by Federal and State Governments from tobacco levies amounts to more than twice the income farmers actually receive each year for all the tobacco they produce. The total of these excises is 10 times the profits, after taxes, of all cigarette and other tobacco manufacturers.

7. During the Korean conflict, the Federal excise on cigarettes was increased from \$3.50 to \$4 per 1,000 cigarettes—or from 7 to 8 cents per pack. Under the revenue law approved October 20, 1951, the cigarette levy was to have reverted to \$3.50 at the termination of the Korean hostilities; but the reversion to the prewar rate has been postponed year after year. Under the law, unless there is further legislation, the cigarette excise will drop back to \$3.50 per 1,000 on July 1, 1965.

8. In recent years, great increases have been attained in the per acre yield of tobacco on our farms so that, despite severe restrictions upon acreage devoted to this crop, sur-

pluses have accumulated and now endanger the operations of the tobacco price stabilization program. This program has been the most successful of all farm programs in protecting and improving, at the least cost, the incomes and standard of living of those farm families engaged in the production of a crop. Coincident with the increasing per acre yields of tobacco in the United States, other areas of the world have developed and expanded tobacco culture, and now are competing in world markets which have been dominated by our tobacco since colonial times. The quality of our tobacco is superior to any produced anywhere else in the world, and is preferred in world markets, but price competition has become intense. The severity of this competition can be measured by the fact that in 1963 the average export price of flue-cured (cigarette type) tobacco was: United States 82.1 cents, Canada 71.7 cents, Rhodesia-Nyasaland 63.3 cents, and India 36.1 cents. The world price competition has been much more severe in 1964, but average export prices for this year are not yet available. Our tobacco has been able to hold markets where superior quality is required, but the price-cutting by other exporting areas now is being severely felt.

9. The soundness of our tobacco economy, its ability to yield revenues to our Federal and State Governments, its contribution to the Nation's balance of payments, the continuation of the tobacco program that has meant so much to the many thousands of farm families producing tobacco, all rest in a substantial way upon the holding and expansion of our foreign markets for tobacco. The export of tobacco is a proper concern of our Government in the interest of our Nation.

10. New problems for tobacco developed early this year in the report of the Advisory Committee to the Surgeon General on "Smoking and Health."

Now, therefore, in the light of the foregoing, I respectfully petition your serious and careful consideration of a recommendation which I have arrived at after the most searching deliberation.

If it is your judgment that the excise on cigarettes not be reduced from \$4 to \$3.50 per 1,000, as now is scheduled to occur on July 1, 1965, then let us by appropriate legislation assign an amount of money equal to the proceeds from the 50 cents difference between the \$3.50 and \$4 levy for these specific purposes:

(a) To enable and promote the export and marketing of American tobacco around the world;

(b) To bear all costs of the tobacco price stabilization program;

(c) To finance research and inquiry into smoking and health.

This proposal, in effect, would assign 1 cent of the 8-cent-a-pack levy on cigarettes—or about \$250 million annually—to the above specified purposes.

Mr. President, since Federal and State Governments are collecting annually on tobacco products three times as much money as our farmers actually receive each year for their total tobacco crop, this proposition of plowing back a portion of the Federal excise collections makes sense to me.

It will make the tobacco price stabilization program self-sustaining, as the sugar program now is self-sustaining through a special sugar levy.

It will make certain that American tobacco will remain supreme in the tobacco markets of the world, thereby guaranteeing the continued effectiveness of our tobacco price stabilization program and decent incomes for those many thousands of Americans who produce tobacco.

It will assure proper and effective concern for the health of all Americans who use tobacco.

Moreover, it is my conviction that in going this route our Federal and State Govern-

ments in the long run will derive even greater revenues from tobacco, and tobacco's contribution to America's critical balance of payments with other nations will be greatly enlarged.

With high esteem and warm personal regards, I am,

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

SMOKING AND HEALTH

Mr. Chairman, I did not anticipate that we would meet the Surgeon General's report on "Smoking and Health" right at the opening of this debate, but I think in fairness to the House—in view of the remarks of a speaker, on the rule for consideration of this legislation—I should say when the Surgeon General's report was released to the public I introduced a resolution at the very next session of the House calling for a broad and comprehensive research program into the matters involved in the report of the Surgeon General.

We held hearings. The Surgeon General was called as our first witness and he stated at the hearing that he was wholeheartedly in favor of the resolution. He did not say that the report on "Smoking and Health" scientifically proved that tobacco was dangerous to health. That report is based upon statistics rather than upon scientific findings. We called other scientists and prominent men. The last one we called was the Director of the National Cancer Institute at Bethesda. We had numerous witnesses, experts and others, farm leaders and others, and not a single witness appeared in opposition to that resolution—not a single one advocated repeal of the price support program. Even at this time research is going on. Other research is necessary. But certainly the report on "Smoking and Health" is not sufficient cause for us to abandon a program which means so much to so many, yes, which means so much even to all the States of the Union, and to the Federal Government.

THE ORIGIN OF THIS LEGISLATION

Mr. Chairman, the farmers themselves started this bill. It did not originate in our committee. It did not originate in the U.S. Department of Agriculture. It originated with the farmers. They swarmed into our committee room 2 days before I had even organized the committee, and they came from many flue-cured tobacco-growing areas. They were almost unanimous, if not unanimous, in favor of a change from acreage to acreage-poundage.

Last year we took a reduction in the acreage and this year our farmers voted in a free and unfettered referendum by a vote of 96.5 percent to reduce their acreage by another 19.5 percent during the year 1965, thus showing their willingness to cooperate with the Government in minimizing the losses and to perfect and strengthen the program.

Now, even with the 19.5-percent reduction in acreage, we are told by the experts in the Department that this in itself would not be sufficient. So the farmers come forward now with a poundage program. This poundage program is supported, I would say, by a large majority of the farmers in the area, both large

and small, because everybody agrees that something must be done. If nothing is done, we are told we will add another 200 million pounds of tobacco to our carryover at the end of the current year.

COSTS OF PROGRAMS

Mr. Chairman, just briefly here is what the program losses on various crops have amounted to. This is for the benefit of those of you from other areas. The tobacco program over the years has lost only \$38 million; the corn program has lost \$3,148 million over the years; wheat has lost \$2,946 million; cotton, \$2,188 million; dairy products, \$3,852 million. Our total losses have amounted to \$8,703 million on the basic crops in 32 years. On January 1, 1953—and that is a very significant date in the political life of the Nation because we had a very great change there—we had a profit of over \$13 million on the price-support program for our basic crops through the Commodity Credit Corporation, whereas now we have losses amounting to over \$8 billion.

CONCLUSION

Mr. Chairman, I reemphasize that the long-range prosperity of the millions of our people in all phases of the tobacco industry will depend in very large part upon the expansion of our export markets, and I am hopeful the administration will see fit to follow the course I have suggested to the President for development of these outlets abroad. But today we are before the House seeking to deal with an immediate situation that endangers our tobacco program. And I must say again to this House that without this program a great number of our farmers would be bankrupted, and the millions of people who depend upon them, in their own families, and in the communities dependent upon a tobacco economy, would be destitute.

Our tobacco farmers are willing to do whatever is necessary to save their program.

H.R. 5721 embraces changes in this program suggested by a substantial segment of tobacco producers. It would bring about tighter controls on marketings to deal with the menacing surpluses. It would prevent large Government costs from accumulating against the tobacco program.

Mr. Chairman, I do not know how many of our tobacco farmers will approve of this new program in all its details. But, Mr. Chairman, we do plead here that the House approve this bill, to give the farmers an opportunity, voting in a referendum, to determine for themselves whether they want to try this approach to their problems at this time.

I express to the Members my appreciation for their sympathetic consideration.

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first of all, let me commend my good chairman, the gentleman from North Carolina [Mr. COOLEY] for the manner in which he handled this bill in our full committee and for the type of hearings we had in the South where

we actually visited people who are interested in tobacco legislation. I think this is a good practice to follow not only with regard to tobacco but with respect to other commodities. I also want to commend our subcommittee chairman, the gentleman from Virginia [Mr. ABBITT] for the admirable way in which he conducted our subcommittee hearings.

Mr. Chairman, H.R. 5721 is a bill which tobacco growers and taxpayers do not want. It is desired only by the advocates of poundage, bushelage, and bale controls. Notwithstanding the many statements which will be made here today in support of H.R. 5721, I can say without reservation that the only people clamoring for the passage of this type of legislation are those individuals who have been pushing for mandatory, strict, volume controls for agriculture over the years in an attempt to stifle the American farmers' ingenuity and initiative. The adoption of H.R. 5721 would set the precedent for the establishment of mandatory volume controls never before imposed on an American farmer.

My colleagues, let it be understood here and now that we are dealing with more than the tobacco growers today. The passage of this bill would become the precedent for imposing similar volume restrictions on the producers of wheat, corn, cotton, peanuts, rice, and other farm commodities. Nothing short of absolute Government ownership and management of the land could place greater restrictions on American agriculture. My colleagues, we certainly do not want nor do we need any such Government controls on agriculture. The establishment of volume controls would have a direct effect on land values, and this argument was heard many, many times in our committee while we were considering this legislation. Land would be valued on the basis of the past production of that land. If you had been fortunate to have a good tenant in the past who did a good job in farming your land, your land values would be high. On the other hand, if you had a poor tenant who did not get all the production from your land that it was possible of producing, your land values would be low.

I realize that this bill has been amended since the Chairman indicated that he could not support it as it was. But the principle of volume control is still in this bill and for this reason it should not pass.

I am one of those who believe that if a bill is bad in principle you cannot improve it by adding some sweetening amendments, so long as it continues to embody that principle. Such a bill is H.R. 5721. It is admitted that we have a 950-million-pound surplus of Flue-cured tobacco, 600 million pounds more than required for a normal reserve, and that this surplus must be reduced. Forgetting for a moment the volume-control principle involved in this bill, let us determine whether H.R. 5721 of the present law will reduce this tobacco surplus more in 1965.

On page 2 of the committee report we find that the surplus would be reduced by an estimated 100 million pounds if

H.R. 5721 is enacted. I for one am willing to take this 100-million figure. However, curiously, we do not find anything in the report telling us how much more this surplus would be reduced in 1965 under present law. We do read on page 2:

This bill would restore Flue-cured acreage allotments to 95 percent of the 1964 allotments, wiping out most of the 19.5 percent acreage cut already announced for 1965.

Mr. Chairman, you will find that on page 2 of the majority report. I ask you to turn to it. Let me hasten to add at this point that this 19.5-percent acreage cut has already been approved by 96½ percent of those tobacco farmers voting in a tobacco referendum last December. How much would this tobacco surplus be reduced if we permitted this already voted 19½-percent cut to take effect? This depends on which set of Department of Agriculture statistics you want to use.

I might say at this point that I called the Department of Agriculture to get their estimate on this matter, and curiously enough they said they could not estimate it, so we are going to estimate it for them with their figures, their statistics. This cut could be estimated at a minimum of 153 million pounds of a maximum of 173 million pounds. Mr. Chairman, compare this with 100 million pounds reduction that this bill is supposed to produce.

In 1964, a 10-percent acreage cut was applied under existing law and according to the Department's September 1964 "Tobacco Situation," a 6-percent reduction in production was achieved.

And that happens to be found on page 3 of the Department's own Tobacco Situation Report of September 1964. It is, therefore, reasonable to assume that if the 19.5-percent acreage reduction is accomplished, we could expect approximately a 12-percent cut in production.

Now, Mr. Chairman, applying this 12-percent reduction to the 1,277,000 pounds of Flue-cured tobacco produced in 1964, we arrive at a reduction for 1965 of a little more than 153 million pounds under the present law.

Compare this, my colleagues, with the 100 million pounds suggested under the committee's majority report.

Should we want to use the statistics found in the Department's January 29, 1965, "Tobacco Summary of Price Support and Related Information," we learn that a 6.8-percent reduction was obtained in 1964 by applying this same 10-percent acreage cut.

Production was reduced from 1.371 billion pounds in 1963 to 1.277 billion pounds in 1964.

According to the Department's own figures this is a reduction of 94 million pounds from 1963 to 1964.

Now, doubling this 6.8-percent reduction achieved in 1964 by a 10-percent acreage reduction, we arrived at a 13.6-percent reduction in production.

Now, applying this 13.6-percent cut to the 1.277 billion pounds of production in 1964, we arrive at a reduction of slightly more than 173 million pounds for 1965 under the present law. Compare this reduction if you will with the 100 mil-

lion-pound reduction which the sponsors admit will take place under this bill we are considering today. Now, how much would this additional surplus cost for 1965? Considering the support price for types 21 through 23 of Flue-cured tobacco of 40 cents per pound, which incidentally is not the highest but the lowest price for any Flue-cured tobacco, we arrive at an additional cost of \$21.2 million, when we consider the 53 million-pound additional production as per the Department's September statistics and \$29.2 million cost, when we consider the 73-million-pound additional production as per the Department's January 29 statistics.

Thus, my colleagues, the question of cost is squarely up to you. A vote for this bill will mean an extra \$21 million worth of surplus tobacco and possibly as much as \$29.2 million worth for 1965 over and above what the cost would be if we permitted the present 19.5-percent cut already voted by the tobacco producers themselves to take effect.

And, Mr. Chairman, I might at this point say that the committee report in paragraph 2 of page 1 states as follows:

The tobacco program has been the most successful of all farm programs.

Let us move on and examine some interesting features about this bill.

Under the bill tobacco farmers would be allowed to carry forward from year to year their unused quotas. This means that should a tobacco farmer fail to produce all of his quota in a given year he could carry forward the shortage and produce it in a later year. Not only is such a provision self-defeating as a control device, but it would be an advantage that would not—I emphasize the word "not"—be available to producers of other commodities, such as wheat and feed grains. Under both the wheat and feed grain programs a farmer who has a short crop one year cannot carry forward his loss of production to a subsequent year.

Another sweetener thrown into this bill would establish the farm yields on the basis of township or community averages. County averages are used for wheat and feed grains, for example. If it is more equitable to establish a tobacco program based on township and community yields in order to more accurately reflect the individual farmers' production, why is it not more equitable to do so for other commodities?

I know you are asking yourselves, why these sweeteners in this bill. Could it be that the advocates of mandatory volume controls needed these sweeteners in their desperate effort to sell this program? That is my belief, and if you believe as I do, what safeguards do the farmers have that these same sweeteners will not be taken out in subsequent legislation once this program gets underway?

In conclusion, let me ask why all the hurry in making this program effective in 1965? All arrangements for the 1965 crops are already underway for this year. If this is a good program it will withstand farmer scrutiny until 1966. If it cannot, it should not pass.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from North Carolina.

Mr. COOLEY. I know the gentleman does not want to mislead the House.

Mr. LATTA. I certainly do not.

Mr. COOLEY. In our production program last year we had an acreage reduction of 10 percent, but we actually produced 1 percent more tobacco in 1964 than in 1963.

Mr. LATTA. Where does the gentleman get those figures?

Mr. COOLEY. This is Flue-cured tobacco. You quoted some statistics in September. There could not be any accurate estimate or statistics at that time because we ran into the middle of the marketing season then.

Mr. LATTA. I not only quoted the figures of September; I also quoted the figures of January 29, 1965.

Mr. COOLEY. I know, but you said that the 10-percent acreage cut brought about a reduction in production in 1964.

Mr. LATTA. By some 6.8 percent by applying the 10-percent cut.

Mr. COOLEY. The record shows an increased production by 1 percent.

Mr. LATTA. I will read from the Department's own record of January 29, 1965. I quote this to the Chairman, and I will let him see a copy of this.

Flue-cured production is forecast at 1,277 million pounds compared with 1,371 million pounds in 1963, an average production of 1,216 million pounds.

These are the Department's own figures.

Mr. COOLEY. That was the forecast.

Mr. LATTA. This was the Department's own report of January 29, 1965.

Mr. COOLEY. You used the word "forecast."

Mr. LATTA. I am not saying anything. I'm merely quoting the Department's own report.

Mr. COOLEY. You certainly did.

Mr. LATTA. No, this report says that Flue-cured production is forecast at 1,277 million pounds compared with 1,371, million pounds in 1963.

Mr. COOLEY. Let me point out these figures. I have the record here before me. In 1963 we produced 1,371,462,000 pounds. In 1964 we produced 1,382,478,000 pounds. That is a 1-percent increase. I am reading these figures from the official 1964 crop summary published by the USDA Crop Reporting Board. This increased in actual production last year, when we actually cut acreage by 10 percent, is what is disturbing the farmers and disturbing to all of us—that this acreage reduction does not seem to bring about an overall reduction in production.

Mr. LATTA. If the chairman wants to dispute the Department's own records, that is all right with me. The figures that I just read were submitted by the Department as of January 29, 1965.

Mr. COOLEY. I am just pointing out to the House that you are talking about the forecast and I am talking about the net result.

Mr. LATTA. Let me ask the chairman this question. Is it not a fact that the production of Flue-cured tobacco for 1964 was 1,277 million pounds?

Mr. COOLEY. No—1,382 million pounds.

Mr. LATTA. You are talking about 1963, it was 1,371 million pounds in 1963.

Mr. COOLEY. That is right—1,371 million in 1963. In 1964, 1,382 million pounds. So that we did not reduce production at all but we increased it by 1 percent.

Mr. LATTA. The chairman's figures do not correspond to the figures furnished by the Department in the two reports I have referred to.

Mr. COOLEY. These are the Department's official reports that I am referring to.

Mr. LATTA. I have been reading the Department's own reports and if he has later figures, I would be pleased to see them and add them to the two I have referred to.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman.

Mr. FINDLEY. I just thought it might possibly help to clear up this donnybrook on statistics to point out that the carryover in Flue-cured tobacco, as I understand it, did increase by 1 percent which would correspond to the figure that the honorable chairman of the committee gave us. But that was the carryover figure which did increase and not in the production figure and, of course, they are two different things.

Mr. LATTA. They are two different things. The figures that I have given to the House are production figures and did not refer to any carryover figures as such. I was only comparing the production figures with what the production was in 1963 and 1964 based upon the two Department reports to which I have referred.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. LATTA. I am happy to yield to the gentleman.

Mr. FINDLEY. There is certainly no doubt whatever that the cutback in acreage, as provided for in this bill, would be less than the cutback in acreage which would occur if we passed no bill. There is certainly no doubt on that point; is there?

Mr. LATTA. I do not think anybody would quibble with that and I do not think anybody would quibble over the Department's own figures as to the production.

Mr. FINDLEY. In other words, if this bill passes, more acreage will be in tobacco production than will be the case if the bill does not pass?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am happy to yield to the chairman.

Mr. COOLEY. I am not arguing with the figures and I am not arguing with my friend over the statements that he has made because we use the words "preliminary estimate" or something along that line. But here we have the actual official figures of the Department. Now, if we had accomplished what you think we did accomplish last year, I do not think this bill would be here today.

Mr. LATTA. That is exactly what I am saying. That is part of my argument, Mr. Chairman. If we let the 19.5-percent cut take place that the tobacco farmers

voted last December, you would have a greater reduction in production than there would be under this bill.

Mr. COOLEY. Oh, no; I have checked with the Department's experts and they have assured me otherwise.

Mr. LATTA. Mr. Chairman, I yield back the balance of my time.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I first of all want to pay tribute to the distinguished chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], who has worked so hard and so effectively for the farmers of America.

I also want to pay tribute to the chairman of this Subcommittee on Tobacco, the gentleman from Virginia, the Honorable WATKINS ABBITT, who was just as fair as he could be in giving all of the farmers of America a chance to express themselves on this particular measure.

We from the tobacco area of this country are all united in the conviction that a tobacco program must continue. There is no argument about that. There is no argument about the fact that research must constantly be done to try to find out more about this charge that there is a link between cancer and smoking.

As the chairman of the committee pointed out, all of the tobacco farmers and the tobacco industry are just as interested in that research as they can be. As we know, the Department of Agriculture is now engaged in research on this important matter.

I would say to my colleague the gentleman from Utah [Mr. KING], who suggested we do away with this program because of the charge that there is a link between cancer and cigarette smoking, that if we do away with this program all we will do will be to increase the production of tobacco.

In Rhodesia last year, where they had no control program, as we have, 350 million pounds, of extra, unneeded Flue-cured tobacco were produced, which sold for 10 cents a pound. So I would say that if we have no program the only thing we will do, believe me, is to increase the production of tobacco, which will certainly not help us solve this problem of reducing cancer incidents supposedly related to tobacco.

So, there are many areas of agreement. But, Mr. Chairman, those of us who were at the tobacco hearing in Moultrie, Ga., will recall that the tobacco farmers of Georgia and Florida were opposed to the acreage-poundage control proposal. As those who are familiar with the tobacco problem will recall, for some months the Flue-cured-tobacco farmers of Florida and Georgia have endeavored to get type 14 tobacco treated as a separate type of tobacco for stabilizatiⁿ administration. They took their case to the courts. They told the courts that type 14 tobacco, grown throughout the belt, is a different kind of tobacco. It is grown exclusively by the farmers of Georgia and Florida.

This tobacco was being sold. It was bought by the tobacco buyers. The tobacco producers of Georgia and Florida maintained that they followed the best instructions of their extension service

agents. They planted the proper kinds of plants. They used the best cultivation suggestions. They produced for the market. So, although they have no argument with the Flue-cured tobacco growers in other areas about programs they might want to solve this problem, the tobacco growers of Georgia and Florida felt that they should not have to see their tobacco acreage reduced, because they were producing for the market. The courts have so far looked favorably on this presentation of the Georgia and Florida Flue-cured tobacco farmers.

About 2 percent of the tobacco grown in these two States goes into the stabilization corporation. So that is the problem we are faced with insofar as our tobacco growers are concerned.

Later on in this debate, I believe the gentleman from Georgia [Mr. O'NEAL] will propose an amendment to postpone this program for at least 1 year. Many of our farmers in Florida and Georgia have already planted their tobacco. They have already made arrangements to finance the production. They have bought their fertilizer. They have checked on the problems of lease and transfer.

I have the honor of being the author of that particular measure; and 23,000 farmers last year took advantage of the lease and transfer program. They are wondering what will happen to that program if this new type of control passes.

I hope that, at least, the House will pass the amendment to delay consideration of this bill for 1 year and give to those of us who are opposed to this bill a quid pro quo, as we face a solution to this important problem.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. FUQUA].

(Mr. FUQUA asked and was given permission to revise and extend his remarks.)

Mr. FUQUA. Mr. Chairman, as my colleague the gentleman from Florida [Mr. MATTHEWS], I rise in opposition to H.R. 5721, but in doing so I also would like to pay my tribute to the great chairman of this committee, the gentleman from North Carolina [Mr. COOLEY], and to the gentleman from Virginia [Mr. ABBITT] for their kindness and fairness in the hearings and so forth which have been going on with respect to this measure.

I, also, recognize that we are united in trying to do something to help our tobacco program. The farmers of my district depend very much for their income on tobacco. Through the past years, as we have been getting into the spiral of increased production, there has also been a general deterioration in the quality of tobacco.

I hope the committee in its wisdom will consider the amendment that will be offered by the gentleman from Georgia [Mr. O'NEAL] for postponing this for another year so that we can get adequate and thorough hearings and give consideration to some type of program which can meet with the support of the industry with respect to this very serious problem. It is very evident and very obvious that throughout this program

we have had a system which has been very successful through the years until we found ourselves in a situation where we have this great deterioration in quality. I think the fault with our program is basically in the lower grades of tobacco, and there are over some 100 grades. It has been generally priced too high in the marketplace and the superior quality has been priced too low. This led to farmers trying to grow more poundage in order to get more money for their tobacco. A farmer can grow poor quality tobacco and make more money than he can in trying to grow good quality tobacco. This program lent itself to this situation.

I hope that the committee will recommend this bill to the Committee on Agriculture so that in times of calmness we can give thorough study to the possibility of some alternative measure rather than this volume control. Farmers of our area of Florida are already planting their tobacco. I have had many people from the Production Credit Association call me as well as bankers and fertilizer people call me and say, "What are we going to do? We have already loaned the money to these farmers based on their ability to repay according to previous years. Now you are changing the rules in the middle of the game." That is what we are doing, gentlemen. We are changing the rules in the middle of the game. I hope that the Members of the House will be the sole judges of this and give equity to the people of my State of Florida who have already proceeded on this basis. It is less than 3½ months from now before the tobacco markets will open. By the time this can pass the other body, the machinery put into motion for holding a referendum, it will be too late, and our farmers will certainly suffer under this program. I might add in the State of Florida in past years and particularly in the past year we have had less than 2 percent of our tobacco going into stabilization. You can have all of the other arguments you want to make, but the fact is that we are producing quality tobacco and the amount going into stabilization is very evident when we have less than 2 percent. So the overall program does need some kind of study so that we can give thorough hearings to this.

I appreciate the gentlemen here going into the field to hold hearings so that the farmers can have an opportunity to be heard, but they will tell you, I think, the overwhelming majority of farmers are very much opposed to this coming in at such a late date and particularly when we just passed a referendum this past December. I imagine at the very time this referendum was being held the people in the Department of Agriculture were coming up with this idea of the acreage-poundage control with no mention being made until we get back into this session of Congress and then there is this tremendous rush.

I do not know why there is this rush on the part of the supporters and handlers of this bill. Maybe it is because there are certain court cases pending that would separate our type 14. I do

not know and I will not judge their motives, but there is some reason why there is the urgency to come in at this time and try to change the rules while we are in the middle of the game.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Illinois.

Mr. FINDLEY. The gentleman mentioned an amendment which will be offered. Will this be a recommittal motion to send it back to the committee, or will it amend the body of the legislation to delay for 1 year the poundage scheme? Can you clarify that?

Mr. FUQUA. Yes. It will delay it for 1 year.

Mr. FINDLEY. It will delay the whole business for 1 year?

Mr. FUQUA. Right.

Mr. FINDLEY. In other words, the 19½-percent acreage cut would take effect?

Mr. FUQUA. That would be my understanding.

Mr. LATTI. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I have asked for this time for the purpose of directing a couple of questions to the majority side. As I understand, the need for this legislation results from the excessive supplies that have been accumulated, as set forth on page 2 of the committee report. The excessive supplies have accumulated because of dramatic increases in the production of tobacco. Therefore the purpose of this legislation is to cut back this surplus accumulation. The farmers have approved the program under which a 19½-percent acreage cut will take effect this year.

Would the gentlemen on the other side have any objection to an amendment which would retain that 19½-percent cutback, still retaining the poundage formula they desire? It seems to me such would have the desirable effect of cutting back still more the total tobacco production, if that is the real purpose of this bill.

Would the gentleman have any objection to an amendment which would leave intact the provision of the present law which requires a 19½-percent cutback in acreage planted to tobacco even though it would still permit on the remaining acres this poundage formula? I would appreciate it if someone on the majority side would comment on that question.

Mr. COOLEY. The gentleman understands, of course, that if the bill is defeated you would take a 19½-percent acreage reduction. If you pass the bill, and more than two-thirds of the farmers affected do not vote in favor of the program, the 1965 acreage, embracing a 19½-percent cut, will remain in effect.

Mr. FINDLEY. If they do approve the acreage cutback it would be about 14½ percent?

Mr. COOLEY. If they approve the bill we get to an entirely different program. There is no side-stepping the fact, as the gentleman from Ohio [Mr. LATTI]

brought out, that those people who are supporting this bill are now and have been and will hereafter be in favor of strict controls.

Mr. FINDLEY. Am I then correct that even if this bill passes and the farmers approve it by the required two-thirds vote it would result in a cutback in acreage planted to tobacco compared with the planting of last year?

Mr. COOLEY. Yes, but not as much as 1945.

Mr. FINDLEY. But would it not help to achieve this desired result of a cutback of tobacco production more effectively if we retained the 19½-percent figure instead of stepping back to what the gentleman has just suggested?

Mr. COOLEY. I do not think such an amendment would be consistent with the bill itself, because we are changing the entire basis of the program.

Mr. FINDLEY. But the program as set forth in this proposal does provide for a cutback in acreage; and would it not help the cause of reducing the surplus if we retained this higher level of acreage cutback instead of the lower level?

Mr. FOUNTAIN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. FOUNTAIN. Mr. Chairman, the cut basically would be in poundage. Part of the acreage cut would be returned but the permanent cut would be in pounds instead of acres. Even the existing successful program for the last 25 years, with periodic acreage cuts, has hurt some tobacco farmers. With increased costs of production, many tobacco farmers have been forced to increase yields per acre in order to stay in business. They cannot continue to stand acreage cuts. This legislation will enable them to adopt a program consistent with their problems and needs and fair to the taxpayer.

Mr. FINDLEY. Why reduce the acreage cutback at all? If you are going to cut two-thirds, why not cut 100 percent as, in effect, approved by the tobacco growers in the latest referendum?

Mr. FOUNTAIN. May I also add that we are trying to provide a program that will produce quality tobacco for both home and foreign consumption. We are losing our export market; at least, we are not increasing our exports as we should—percentage-wise.

Mr. FINDLEY. I get the feeling that one of the results of our tobacco program has been a reduction in the quality of the American tobacco.

Mr. FOUNTAIN. Not necessarily. Farmers with reduced acreage from year to year have used culture practices and improved production methods which have enabled them to produce high yields—in some instances as high as 3,500 or 4,000 pounds an acre. They will not be able to market that many pounds per acre under this program.

Mr. FINDLEY. Our program has resulted in a reduction in quality of tobacco; is that correct?

Mr. COOLEY. Some people say so and so differ.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. CHELF. Mr. Chairman, along with what the gentleman from North Carolina has said, in years gone by our farmers used to normally and steadily produce about 800 to 1,000 pounds of good tobacco per acre per year. Now, the 800-pound and 1,000-pound figure was about a normal production.

Over the years, as we have cut the quota, the acreage allotment, they have naturally, just like wise human beings are, tried to overcome the deficiency. They have made the rows a little closer together. They have used fertilizer to the extent where now as the gentleman from North Carolina pointed out so appropriately, it has reached the point where some are able to produce 4,000 and 5,000 pounds per acre, and I have heard of one case where one farmer produced 6,000 pounds of tobacco on 1 acre.

Mr. FINDLEY. But was that inferior tobacco?

Mr. CHELF. If the gentleman will yield further, this is a very serious problem that means so much to our farmers.

Not very long ago we asked for and received a cut. We did not want to do that any more than I want to ask you to cut my throat right now. But it was the only reasonable and fair thing to do under the circumstances. However, it was a bitter thing to do, but we did it. We were desperate in order to try to save our entire tobacco program that had been so highly successful for over 25 years. A program that had literally saved our tobacco farmers. One that had produced a smile on the faces and a song in the hearts of all our tobacco growers—large and small. Yes, a program that had not cost the Federal Government. What more can one expect?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LATTA. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. FINDLEY. I am disturbed at the indication that one of the effects of the tobacco program has been a reduction in quality.

I have one other question: If the purpose of this legislation is really to cut back on the surplus problem, why permit 110 percent of the poundage provided in this quota system to be marketed? Why not stick to 100 percent? Why permit this 10-percent slippage?

Mr. COOLEY. If the gentleman will yield, as I pointed out a moment ago, we put that in as a tolerance. It does affect the overall program, because if a man markets 10 percent more this year, in 1965, he will just market 10 percent less in 1966. So, as I say, in 2 years the program should be well underway.

Mr. FINDLEY. But would you not have a greater production discipline if you stuck to the 100-percent figure?

Mr. COOLEY. Does the gentleman mean he wants more strict controls?

Mr. FINDLEY. I assume that the purpose of this legislation is to control the production of tobacco.

Mr. COOLEY. That is right.

Mr. FINDLEY. Well, would it not be more effective if we stuck to the 100-percent figure?

Mr. COOLEY. As I recall we had that figure once at 5 percent and changed it to 10 percent.

Mr. FINDLEY. Would the gentleman from North Carolina object to an amendment to change the figure from 110 to 100 percent?

Mr. COOLEY. Yes, I would. I would object to any amendment to the bill, except one or two that I believe would improve it. However, I do not think such an amendment as the gentleman refers to would improve it at all.

Mr. LATTA. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, since making my initial remarks, I have seen a third set of figures put out by the Department of Agriculture on the production of 1964. As the members of the committee might have discovered, in this matter we have three sets of figures. This set I have just seen, is 2 days later than the set to which I referred to earlier in my remarks. It shows the tobacco production in 1964 at 1,382 million as contrasted to their report of January 29 of 1,277 million pounds.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. O'NEAL].

(Mr. O'NEAL of Georgia asked and was given permission to revise and extend his remarks.)

[Mr. O'NEAL of Georgia addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. WATTS].

Mr. WATTS. Mr. Chairman and Members of the Committee, first I want to say this bill has no relationship whatsoever to the question of health and smoking. Whether this bill passes or not, we do have a tobacco program and we are going to have tobacco which will be supported at the same level of supports that it will be supported if this bill passes. So we can dismiss, so far as this particular piece of legislation is concerned, any reference to or any consideration of the health angle in connection with this particular piece of legislation because it does not touch it—top, side, or bottom.

Now let us deal with another subject. Is this an effort on the part of the great Federal Government and the Congress to force something on the tobacco grower? Let us look at the terms of the legislation. What does it say? It says that after this Congress passes this legislation and after the President signs it, it shall then be the duty of the Secretary of Agriculture to propose this problem back to the farmers in all sections, and of course that is the tobacco farmers. And unless more than two-thirds of them approve it, it does not become effective.

So I do not see how you can make a sound argument that we are forcing anything on anybody because, goodness knows, I have always been willing to go along and when two-thirds of the people want something, I think they are entitled to it. That is the way all of our programs have been run. This legisla-

tion does not change that basic factor in any respect.

In other words, if the farmers do not want it, after we pass it, all they have to do is have one-third of them go out and say, "we do not want it," and they will not have it.

So those two questions should not be given much consideration so far as whether one supports or does not support this piece of legislation.

Why is this legislation here? It is here for two reasons.

I want to say first that I represent the largest Burley tobacco district in the United States and, for that matter, in the world. I am a tobacco farmer. I have been producing tobacco ever since 1929. I know the problems. I know what the Department of Agriculture, in attempting to run the acreage program, has been faced with.

Every year when we got a cut in acreage, what did I do? What did all the other farmers do? We went to the fertilizer manufacturer and we bought some more fertilizer. We hauled out some more manure. We planted our plants closer together. As a result of that we offset to a good extent, and sometimes to a full extent, the effect of the acreage cut which the Secretary of Agriculture had put on us.

We have realized for a long time now that this is not the solution. We have been discussing this problem in the committee for more than 10 years, even while I was on it. We realize that it is not possible to control production solely on the basis of acreage, because farmers will not let us do it. They will put on more fertilizer. They will do better in their cultivation practices. They will crowd their tobacco. It just cannot be controlled that way.

This is the principal reason why we have piled up in the hands of the associations large stocks of tobacco which are on loan, on which the taxpayers may lose and are pretty apt to lose some money.

This bill was brought here in order to let the Secretary of Agriculture say how many pounds of a certain type of tobacco could be marketed, period. No matter what size acreage allotment a person has, if he can market only so many pounds he cannot continue to contribute to the large surplus we now have on hand.

I say to you this will be very beneficial for another reason.

When I was a boy, first starting to grow tobacco, we grew about 800 pounds per acre. We now get 4,000 or 5,000 pounds an acre. We have absolutely deteriorated the quality of our tobacco, to such an extent that when I made a trip to Europe as the head of a tobacco subcommittee to determine what was happening to our markets, particularly with reference to Flue-cured tobacco, I was told, "you have deteriorated your quality by overfertilizing, by using too much MH-30, and by overcrowding." This will allow the Secretary to give perhaps a few more acres than he would allow under the 19½-percent cut, but at the same time to set the top limit on the amount which can

be produced. He can reduce the amount produced every year.

I say to everyone here, irrespective of what might be said, if you believe that the Secretary of Agriculture intends to honestly administer this program, he can reduce the production under it below the 19½-percent acreage cut. If you do not believe that he means to reduce the production of tobacco, he can turn around next year and, under the program we have, double it.

I will say this to the distinguished gentleman from Georgia, who is going to offer an amendment: If the legislation is passed and if the amendment should happen to fail, if one-third of the farmers turn it down, it will not be in effect in 1965. There will be another opportunity to vote for it in 1966, and another opportunity in 1967.

I cannot see why anyone should sensibly argue that if two-thirds of the farmers vote for it in 1965 we should deny them the privilege of making this change and deny the taxpayers of this country the right to have the Secretary of Agriculture limit the production of tobacco so that consumption and production will get in line with one another and save everybody money.

I think it is a good bill and I think it ought to be passed.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. WATTS. I yield to the distinguished gentleman from Kentucky.

Mr. CHELF. The gentleman, in what he has had to say here, has been eminently correct, because not only does he represent the largest burley tobacco district in America, but he and I together, the gentleman standing in the well and I, are the two Members whose districts produce three-fourths of the total burley crop of the State of Kentucky, which, in turn, produces 65 percent of the total burley crop of the world.

Mr. WATTS. The gentleman is correct.

Mr. CHELF. Therefore, it means a great deal to the program. Would the gentleman not say for the purpose of the RECORD that last year we, and—our tobacco people—came in and voluntarily requested that our burley acreage be cut 10 percent and again this year did we not ask for that very same thing, which made a total of a 20-percent cut in order to try to save the program? In other words, this was done to police and to protect the entire tobacco program which has operated so well for over 25 years.

Mr. WATTS. The gentleman is correct, except even though we cut it 10 percent last year in acreage and 10 percent the year before, we made very little of a cut in the amount of tobacco produced.

Mr. CHELF. I agree. The gentleman so correctly stated that by this chemical fertilizing we are unfortunately and unwittingly destroying our own tobacco crop and thereby ruining our oversea market. I ask the Members of this House to go along with this bill, because we need it and we need it desperately.

Mr. WATTS. I thank the gentleman for his contribution.

Mr. FUQUA. We shall overcome.

Mr. CHELF. As the gentleman says, we shall overcome.

Mr. WATTS. Mr. Chairman, I am going to conclude by repeating again that all in the world this bill does is to allow the farmers to say whether they want this or not. If they want to keep what they have, they have the right under this legislation to do it. All in the world that they have to do is for one-third of them to go to the polls and say that this does not suit me, and then you just will not get it. However, if they want to clean up their own house and put it in order, which is costing the taxpayers many, many millions of dollars, and want to balance production against consumption, then we will give them the opportunity to do it. I think Congress would be unfair if they said to the farmers, "You are in a box here where you are going to ruin yourself and ruin the tobacco program" when we can give them the opportunity to put into effect a program whereby the Secretary of Agriculture can control production. I thank you.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. HAGAN].

Mr. HAGAN of Georgia. Mr. Chairman, thank you very much for yielding me this time.

Mr. Chairman, it is very difficult for me to attempt to follow such an able speaker as my distinguished colleague, the gentleman from Kentucky [Mr. WATTS].

I rise in opposition to H.R. 5721 which also is an unusual occurrence for me as regards my distinguished colleague from North Carolina and my beloved former chairman of the House Committee on Agriculture [Mr. COOLEY]. However, I do so, Mr. Chairman, at the request of and with the concurrence of at least 98 percent of the tobacco growers in the First Congressional District of Georgia.

Under the provisions of the current law, the Agricultural Adjustment Act of 1938, as amended, Congress has established guidelines to be followed by the Secretary of Agriculture in determining the amount of the national marketing quota on Flue-cured tobacco in that he is required to: First, determine the amount of normal supply which consists of a normal year's domestic consumption and exports, plus 175 percent of the normal year's domestic consumption and 65 percent of a normal year's exports; second, after determining the amount of the normal supply, the Secretary then must add 5 percent of the amount of the normal supply in order to determine the reserve supply level; third, after determining the normal supply and reserve supply level of tobacco, the Secretary must announce a national marketing quota which may be marketed which "will make available during such marketing year a supply of tobacco equal to the reserve supply level."

Under the provisions of H.R. 5721, Congress sets no guidelines to be followed by the Secretary in determining

the national marketing quota for Flue-cured tobacco and leaves the matter entirely of his discretion. H.R. 5721 provides: First, that the Secretary estimates the amount of Flue-cured tobacco which will be utilized during the marketing year; second, plus the amount that will be exported during the marketing year; third, that these amounts are to be adjusted upward or downward in such amount as the Secretary, in his discretion, determines is desirable for the purpose of maintaining an adequate supply of Flue-cured tobacco or for effecting an orderly reduction of excessive supplies.

Therefore, Mr. Chairman, under the provisions of H.R. 5721 and if this legislation is adopted, the Secretary can do as he sees fit without any control from Congress nor will the individual tobacco farmers have any standing in Federal court to complain or protest relative to the discretionary acts of the Secretary of Agriculture.

H.R. 5721, section 317(a) (2) provides:

National average yield goal for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination, the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

It is noted that the national average yield per acre is not based on the historical yield per acre nationwide, but is based solely on what the Secretary determines will improve or insure the usability of tobacco and increase the net return per pound to the growers. At the present time, the figure of 1854 pounds is being used as a national average yield per acre, however, if the Secretary determines that this should be cut to 1284, he is authorized to do so. Again, he uses his unfettered discretion without any guidelines or restraints. The fact that an individual farmer may have individual yield of 3,000 pounds per acre for the past 5 years will be of no benefit to that farmer and he will have no assurance that he will be allowed to grow anything like 3,000 pounds of tobacco per acre because the Secretary is not bound by the 1854 pound national average yield per acre and he can change this 1854 pound national average yield per acre to any figure which he individually determines.

The national average yield per acre is one of the factors used in determining the individual farm yield and by manipulating the national average yield goal, the Secretary is empowered to juggle the individual farm yield in any manner he sees fit. Further, under H.R. 5721, the Secretary, in making this determination, is specifically relieved from complying with the terms and provisions of 7 U.S.C.A. 1301(16) (c) which provides:

The latest available statistics of the Federal Government shall be used by the Secretary in making the determinations required to be made by the Secretary under this chapter.

Under H.R. 5721:

The Secretary shall give consideration to such Federal-State production research data as he deems relevant.

It is not mandatory for the Secretary to use any particular production re-

search data, such as the latest available statistics of the Federal Government, and again the individual tobacco producers would have no recourse in the Federal courts seeking relief from the Secretary's determination regardless of how unfair or unequitable his determination may be.

This gets to the heart of the current lawsuit brought by the three tobacco farmers against the Secretary of Agriculture where they alleged, and the courts have so ruled, that the Secretary failed to comply with the mandatory provisions of the acts of Congress requiring him to keep and use the latest available Federal Government statistics in making determinations pertaining to the various factors of Flue-cured tobacco production including whether or not there was such a difference in supply and demand conditions for type 14 Flue-cured tobacco as to warrant it being treated as a kind of tobacco. It was the Secretary's failure to comply with the mandatory provisions of the act of Congress that gave the Federal Courts jurisdiction to require the secretary to do those things which the court decision has ordered him to do. Under the provisions of H.R. 5721, the Federal courts would not be empowered to issue any such order against the Secretary of Agriculture for any future determinations which he might make pertaining not only to the national average yield goal but also to the national marketing quota.

For this and other reasons, Mr. Speaker, I am opposed to H.R. 5721.

Mr. LATTA. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. BELCHER].

(Mr. BELCHER asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, I have not been privileged to hear all of this debate. But I will say for the benefit of the Members of the House I have certainly enjoyed that which I have heard. Mr. Chairman, this is the first time that I ever heard of the tobacco hitting the fan. Always before, during the 14 years and 3 months that I have served on this committee, the chairman and the various members of the Tobacco Subcommittee would always get up and say, "Your wheat program, your feed grains program ought to be like the tobacco program. We never have any problems with tobacco. Whenever production exceeds consumption, we just cut back our acreage. We cut back 19 percent, we cut back 10 percent, and we balance it. This tobacco program has never cost the Federal Government a dime. The fact of the matter is we take in more money than we ever spend."

Now, Mr. Chairman, today for the first time I have heard just how unfair this tobacco program is. I have never heard the terms "inequitable," "unfair," "unjust," and "an abuse of power" inferred on the part of the Secretary as many times on an agricultural bill since I have been a Member of the House of Representatives.

Mr. Chairman, I did not know that those tobacco boys ever would fall out. I did not know they mistreated each other that way. I did not know that tobacco farmers would deliberately go

out and try to outsmart the Secretary of Agriculture to the extent that they decreased the value of their tobacco so much that they were not able to sell it to anyone. Then, to think that two Members of this House of Representatives, two distinguished Members, would both come down here in the well of the House and admit to that kind of conduct.

In addition, Mr. Chairman, the gentleman from Georgia just complained about the power given to the Secretary of Agriculture. Well, my land, this bill does not give any power to the Secretary of Agriculture compared to that omnibus farm bill that was introduced during the early part of the Kennedy administration. Before the Secretary of Agriculture had been a Secretary 90 days, the majority side of this committee wanted to turn the entire legislative power of the U.S. Congress over to the Secretary of Agriculture. All he needed to do was just write on the back of an envelope—an old envelope at that—the kind of program he wanted.

He would send that down to Congress, and if the Congress did not within a period of 20 days repeal his act, it became the law of the land. Then to think these boys from Georgia would just complain about the fact he could set it at a thousand pounds or 2,000 pounds as a limit on the amount of tobacco to be produced. I wonder where you gentlemen were when this omnibus bill was up for consideration back there when we were fighting for our lives? I am glad to know, though, that the tobacco program has its problems, too.

I have not taken any part in this argument. I have not cared very much one way or the other, because I quit smoking cigarettes 20 years ago, and I quit chewing tobacco when I quit playing first base in baseball. They do not raise a single pound of tobacco in my district. Since that time I have not had very much interest in the tobacco program. I always felt it was a good thing to stay out of things that you had no business in, and I figured I did not have any business getting into this tobacco program. I am not going to get into it today, but I hope the chairman of the committee, and I am very proud of him and the committee, it is one of the great committees of the House, and the chairman of the Tobacco Subcommittee, will not so grossly mistreat the Members on that side of the aisle and have them come down here and say inequitable, unfair, unjust, abuse of power, and so forth. Why do you not treat these fellows fair over there?

There is one more thing I would like to say. I do not care about this poundage business. You can set it up on poundage, acreage, or any other thing you want to. But I would like to ask just one question of my Chairman: Is this going to be a precedent for feed grains, wheat, dairy products, and all other products—and I refer to this poundage business?

Mr. COOLEY. I am not in a position to say whether it will be a precedent or not, but I can say to the gentleman, as he knows, this has been a very controversial matter in the committee for 10 or 12 years. The only reason the bill is here now is because the farmers them-

selves have asked for the bill. They want this bill.

Mr. BELCHER. I did not refer to the unfairness and inequity. That is their statement. But I did not want to get that poundage business started here as a precedent, because I have always understood that the tobacco program was a program entirely different from all other programs. One of the reasons was, it always worked, and all of the other programs did not. So, therefore, if it is necessary for you to have poundage now to solve and cure those sins you have been committing all these years in your tobacco program, I am perfectly willing for you to have whatever you need. I am not going to get into an argument with the one assurance you are not going to try to put this over into other products.

Mr. FOUNTAIN. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from North Carolina.

Mr. FOUNTAIN. We are not admitting we have committed any sins over all of these years in this tobacco program. This has been a very successful program for 25 years. It happens just that from necessity, the tobacco farmers are producing more pounds per acre. We are engaged in competition with the rest of the world; for example, Rhodesia, Canada, and so forth. But even with control this program has been successful for 25 years. We are trying to exercise an ounce of prevention now rather than a pound of cure later. If the farmers are willing to adopt an acreage-poundage control program, which will have the effect of reducing their income while looking after the interest of all the taxpayers of America, I think they ought to be commended for their altruism, even though they know it is in their own self-interest in the long run. This legislation just gives them the "right to vote" for this new approach. Since it is so late in the year, they may vote against it, but basically they now know the acreage-poundage approach must be tried. Of course, there are other things which must be done as I will point out in my own remarks later.

Mr. BELCHER. Far be it from me to throw even one chunk under the wheels of a program that has worked as good as you say the tobacco program has worked. I hope it continues to work. I hope this bill, if you get it passed, cures all of your evils. I have had a lot of fun for the first time in 14 years. I have got to talk about the tobacco program. I have had to defend the wheat program and the feed-grain program and the dairy program and everything else. I just could not pass up the opportunity to have just a little fun with the tobacco boys since they have had so much fun with me.

Mr. CHELF. Mr. Chairman, will the gentlemen yield?

Mr. BELCHER. I yield to the gentleman.

Mr. CHELF. Let us all hang together or we will hang separately. Now I have stayed with you in the past; now, dear boy, you stay with me today.

Mr. BELCHER. I will tell you what—if you quit treating those Georgia boys so darn unjust, maybe I can go along with you.

Mr. CHELF. It will be like St. Paul on the road to Damascus. Suddenly they will see the light and they will join with us.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Chairman, I want to commend my distinguished and able colleague, the gentleman from North Carolina [Mr. COOLEY], chairman of the House Agriculture Committee, and the gentleman from Virginia [Mr. ABBITT], chairman of the Tobacco Subcommittee, the entire membership of the Agriculture Committee, and members of the staff for the expeditious manner in which they have handled this legislation and brought it to the floor for consideration by this body.

While proposing legislation designed to help our farmer protect the integrity of his tobacco program in the immediate years ahead, the committee clearly states that it is not intended as the ultimate answer for the tobacco producer. We all know that. It does, however, offer the farmers another major choice—another important step in what I hope is the right direction. Of course, the choice is theirs at the ballot boxes. This legislation does not force anything upon anyone. Otherwise, I would not support it.

This legislation simply gives our tobacco farmers the choice of keeping their 25-year-old acreage-control program for the next 3 years or of going to the acreage-poundage program proposed by this legislation.

No one can deny that this has been an extremely critical and crucial year for the entire tobacco industry. It is extremely important that everyone interested in the tobacco industry and in its future, especially tobacco growers, appreciate the many tobacco danger signs appearing on the horizon.

We all know the facts. The existing program has worked well for many years with balanced supplies, favorable prices and little or no cost to the Government. It has been rightly called the most successful farm program we have. For a number of years, the steadily increasing demand for tobacco used in the manufacturing of cigarettes tended to offset increased per-acre yields and prices trended upward.

In more recent years, however, for many well-known reasons, problems have developed. High yields have more than offset acreage cuts. There has been a decline in the quality of tobacco and a loss in export trade. Accelerated increase in per-acre yields of Flue-cured and burley tobaccos, which constitute about 90 percent of the tobacco produced, have by no means reached a limit. Records show many yields of 3,500 pounds per acre and higher, and research shows that these yields can be substantially increased. Along with such yields, tobacco has deteriorated in quality. U.S. Department of Agriculture fig-

ures show that in 1946-50, 31 percent of U.S. Flue-cured tobacco graded in first, second, and third qualities. In 1962, it was only 10.3 percent. We have failed to share in the increase in world tobacco trade primarily, we are told by foreign manufacturers and importers, because of a decline in the quality of U.S. Flue-cured tobacco.

Let us take a look at some of the trends that have developed to create our problem. In 1954-58, Flue-cured tobacco yields averaged 1,509 pounds per acre. In 1964, estimates are that the average yield will turn out to be 2,203 pounds per acre. With continued reductions in acreage allotments, it is only natural that farmers will seek to increase their yields. Many of them have been forced to do so. They can not be blamed, for without increased yields per acre, some of them could not have survived all of the acreage cuts they have sustained. In fact, some have not been able to survive. They have left the farm. Nonetheless, such increased yields have resulted in excessive supplies of tobacco and these supplies now endanger the tobacco program in many ways.

Let us take a look at some figures indicating how Flue-cured tobacco production has generally risen while acreage allotments were being reduced. The 1964 crop was larger than the 1954 crop, while the 1964 acreage allotments were 40 percent below those of 1954.

To make this unpleasant picture a little clearer, in 1940 the marketing quota in poundage was proclaimed at 618 million pounds; 758,210 acres were allotted for this production. That year—the year 1940—the Flue-cured States produced 760 million pounds for an average yield of 1,025 pounds per acre. This was 142 million pounds in excess of the marketing quota.

The 1964 marketing quota in poundage was 1,134,997,830 pounds and the allotted acreage for such production was 638,240. On this acreage allotment in 1964, which was 119,970 acres less than in 1940, we produced 1,383 million pounds of Flue-cured tobacco for an average yield of 2,203 pounds per acre. Note that the 1964 yield, with 119,970 less acres than in 1940, was more than double that of 1940.

I said earlier that we are not keeping up on world trade. Notwithstanding the increased demand for Flue-cured tobacco in the world markets, U.S. exports have remained rather constant at 450 million pounds. Let us take a brief look at this picture. In 1950-54, 670 million pounds a year of Flue-cured tobacco moved from the free world countries with the U.S. share being 66 percent. In 1955-59, the amount was 780 million pounds per year with the U.S. share being 60 percent. In 1960-64, our U.S. share was a little over 50 percent. In 1964 alone, the latest preliminary figures I have indicates our share to be only 45 percent. Last year Rhodesia, India, and Canada all had record exports of Flue-cured tobacco.

The upshot of all these statistics indicates that excessive supplies of tobacco have accumulated in this country to the

serious detriment of our existing tobacco program. Every producer is certainly aware of the fact that acreage yields of tobacco are increasing faster than market outlets both at home and abroad.

Improved scientific knowledge of cultural practices, in spite of cutbacks in some nations—such as here in the United States and Canada—have resulted in huge surpluses of Flue-cured tobaccos in many of the principal Flue-cured nations—such as the United States, Southern Rhodesia, India, Canada, and the Philippines. The resultant surpluses have had a significant impact in the world markets.

Long recognized as one of the giants in the tobacco world, Southern Rhodesia has inherited from the now-defunct Federation of Rhodesia and Nyasaland, the title of the world's second largest tobacco producers and exporter. As you here know, Southern Rhodesia is our strongest competitor in the international market.

In this connection, I think it is of interest that Rhodesian farmers began to grow tobacco 70 years ago and by the time of World War II, experts were averaging, I am told, 30 million pounds a year as compared to the U.S. total then of 421 million pounds.

A recent Government report, called to my attention, stated that the harvest of Flue-cured tobacco in Rhodesia was 60 percent above the harvest a year earlier. It was by far the largest harvest of tobacco on record in Rhodesia—nearly all of which is destined for world markets—and sold at an average price of 32 cents per pound. This was one-third lower than the average price for the previous crop and a little more than one-half of recent U.S. prices for Flue-cured tobacco.

Turkey has a record tobacco crop this year and the crop in Greece is above average. The Philippines also have a surplus of Flue-cured tobacco this year.

I am advised that the U.S. exports of Flue-cured tobacco is in competition primarily with exports from Rhodesia, Nyasaland, Canada, and India. Turkey and Greece are the main producers and exporters of oriental tobacco, which also is, to a certain extent, competitive with Flue-cured.

I do not want to confuse you or myself with a lot of statistics, but a few figures tell the story of increased competition in world markets faced by U.S. producers.

The production of Flue-cured and oriental tobacco in the major exporting countries, in 1964, was 70 percent greater than in the 1950–1954 period, 10 years earlier. It was almost one-third larger than the average for the more recent years 1956–60.

Not that misery always loves company, but it is of interest to note that tobacco production in other parts of the world is also in financial difficulty as a result of this big upsurge in production. Canadian growers had difficulty in selling their large 1963 crop and cut back acreage 25 percent this year.

In view of the large crop and low prices in Rhodesia in 1964, the Flue-cured tobacco growers adopted a voluntary-control scheme, designed to reduce production in 1965 by 20 to 25 percent.

Earlier I stated that tobacco problems involved many a paradox and I referred to the surpluses resulting from improved cultural practices and their impact upon world markets.

Paraphrasing one U.S. cigarette advertisement, another paradox is found in the fact that more people the world over are smoking more, but the tobacco farmer is enjoying it less.

In spite of substantial gains in the number of cigarette smokers in the United States and also throughout the world, the U.S. tobacco farmer is enjoying a smaller share of the world market than the 1951–55 average.

Of course, there are many factors responsible for this, but there are two, beyond control of the farmer, which obviously contribute to such a situation. They are:

First. An upsurge in the popularity of filters, which require less tobacco per cigarette than regular cigarettes. Filter-tip production last year accounted for about 36 percent of the total free world output, compared with 33 percent in 1962, and less than 10 percent in 1955.

Second. All manufacturers now have facilities to make many more cigarettes from a given quantity of tobacco through the general practice of processing sheet tobacco, or so-called "homogenized" tobacco.

Another important problem over which the tobacco grower has no control involves the countless attacks being made by antitobacco groups in this country, Canada, and elsewhere throughout the world. They seem to increase in intensity and frequency.

Government activity in the current tobacco-and-health controversy is another matter of great importance to the tobacco grower and the tobacco industry.

As we all know, the report of the Surgeon General's Advisory Committee on "Smoking and Health" contained the judgment that "cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action."

We remember the rash of antismoking activity in the public press which followed hard on the heels of the Surgeon General's report.

The antismoking campaign's latest demonstration was the announcement by the Federal Trade Commission that it intended to issue regulations requiring that cigarette packages be labeled with an appropriate device to warn smokers of their probable danger. Incidentally, this matter must be disposed of before July 1 this year in view of the effective date of both the "labeling rule" and the "warning in advertising" requirement in connection with cigarette packages and cigarette advertising.

The U.S. Public Health Service, the Office of Education, and the Children's Bureau, the American Medical Association, the National Education Association, and many voluntary and professional health agencies are initiating so-called educational and informational programs about smoking. Unfortunately, some of those so-called education programs are designed to treat the report of the Surgeon General's Advisory Committee as

the final authority on the subject of "Smoking and Health."

Being neither a doctor, a scientist, a chemist, a pathologist, a statistician, or any other kind of tobacco expert, I do not pose as an authority on the technical and scientific aspects of this problem. However, I am convinced that the subject matter is of such transcending importance to this country—in fact, to the entire world—and affects so many millions of people in such a variety of significant ways, that any action which might be found necessary should be taken by the Congress of the United States, composed of the duly elected Representatives of all the people.

It is regrettable that so many people do not realize that this giant of our native creation, which saved Jamestown and became the taproot of American commerce has so grown, multiplied and developed that it is a primary economic factor in the affairs of our Nation and the world.

It is nurtured by 750,000 farm families in 21 States. Approximately 1.5 million businesses share in the tobacco trade, supplying materials, equipment, transportation, distribution, and merchandising services. I am advised that there are about 578 plants, big and small, in 30 States that manufacture tobacco products. It is estimated that some 17 million people depend on tobacco for all or part of their livelihood.

Federal, State, and local excise taxes on tobacco products in 1963 yielded \$3.3 billion. In the 32-year history of Government farm programs, the tobacco program costs have been less than \$100 million, while Federal and State governments have collected approximately \$52 billion in taxes on tobacco and tobacco products.

The tobacco industry, from the producer to the consumer, involves, I am told, \$8 billion in annual business. In North Carolina alone, of the \$1.2 billion in total farm receipts last year, \$600 million came from tobacco sales—approximately one-half of North Carolina's farm income.

As my distinguished colleague the gentleman from Florida [Mr. MATTHEWS] pointed out during legislative committee hearings last year, the approximate \$3.3 billion annually in taxes on tobacco means that the tobacco farmers are, in a sense, underwriting or offsetting, the cost of all price support programs for the whole country. I am sorry Mr. MATTHEWS is not supporting this particular bill, although I understand his position.

I believe all of us associated with the tobacco industry share the concern of our people over questions regarding "smoking and health." As human beings, we are interested in the health of our fellow men. As tobacco growers and representatives of growers, we have a natural interest in their present and future welfare. In fact, to bring it even closer home, we are concerned about our own health and the health of our children.

No one will or should argue against government warning the consumer in an appropriate and proper way that he is jeopardizing his health, if, indeed, that

is the case, by smoking cigarettes or otherwise using tobacco.

But the real question here is, whether, in an age of science, we should accept as final proof of tobacco's danger, findings based on statistical correlation.

The Surgeon General himself, after having read and carefully studied the report of his Advisory Committee on Smoking and Health, has stated that intensive research is needed to determine the charges against cigarette smoking, and to make smoking safer. I think this is an appropriate attitude on the part of the Surgeon General—especially when we look at some of the serious economic facts to which I have already eluded.

If thereafter research determines that tobacco is indeed as dangerous as some have said, and that nothing can be done to make cigarettes safe, then will be the time for such labeling as the Federal Trade Commission has proposed.

In my talks with tobacco producers in recent months, the consensus is that the current No. 1 tobacco problem is to find a way to bring U.S. production of tobacco more nearly in line with demand just as soon as possible. As I have previously pointed out, each year the mounting increases of surplus crop receipts present a serious threat to our entire tobacco program.

The consensus among farm groups seems to be in support of some kind of acreage-poundage control program—a program to improve quality, limit the poundage that may be marketed—thus bringing supply more nearly in line with demand—and increase exports. This legislation which the House Agriculture Committee has reported for our consideration contains such a proposal which the farmers should be permitted to accept or reject as they see fit.

Although tobacco growers are faced with many problems from all sides, as I stated earlier, I believe there is substantial agreement among them right now that our most immediate need is to take a comprehensive look at our tobacco program with a view of determining what needs to be done to bring our supply of all types of tobacco in line with demand.

Cuts in either acreage or poundage or both will not alone solve our problem. In fact, many farmers would be out of business if we simply adopted the acreage-poundage program proposed in this bill as a means of bringing the annual supply in line with demand, and stopped there.

In addition to this legislation and the program it offers serious consideration should be given to every possible avenue to improve the quality of our tobacco and to increase the sales, both at home and abroad.

How can the quality of harvested Flue-cured and other tobaccos be increased?

How can the production of low quality tobaccos be discouraged or prevented?

Have we made full use of all of the means at our disposal to increase the sales of tobacco, both at home and abroad?

Has an all-out positive educational campaign among growers through every available knowledgeable communications media been attempted?

In thinking of our agricultural export trade, has full and adequate use been made of section 32 funds and of the provisions of titles I, II, III, and IV of Public Law 480?

Have we made full use of the Trade Expansion Act of 1962 with its "kit" of negotiating powers?

Have we placed enough emphasis upon sales for dollars?

Have we sought wherever possible and wise to remove trade restrictions which now limit sales of U.S. leaf?

Have we made all-out efforts to have sales made under the provisions of special trade programs when feasible?

It seems to me that the above are some of many questions which need to be answered by action in one or more areas to supplement any action which may be taken through this legislation to reduce our annual production of tobacco.

In my opinion, the answer to the health scare is more and more research. When the U.S. Public Health Service appeared before the House Agriculture Committee earlier this year to testify on behalf of appropriations and health research, I was dumbfounded to learn that at that time the Public Health Service was spending only about \$1.2 million on research toward understanding and controlling such elements in smoking as may be discovered to be injurious to human health.

Of this total, only \$345,000 represented research which was being conducted in the Public Health Service's own laboratories and other facilities.

Notwithstanding the fact that for years we have known that tobacco might be injurious to health, depending upon the age of the individual using it and the extent of its use, hearings before the tobacco subcommittee in January 1964, revealed that the Federal Government had been spending less than one-tenth of 1 percent—0.072—of the revenue collected from tobacco products on health research.

In passing on this legislation, remember that countless thousands of Americans are dependent upon tobacco and a sound tobacco program for their livelihoods.

We have had problems before. We have solved them before. Tobacco growers have successfully dealt with many problems in the past. It was 352 years ago that American colonists found they could grow tobacco profitably in the New World.

Within a few years tobacco was so profitable that it was planted almost to the exclusion of food crops. The governing authorities ordered each person "to plant at least 2 acres of corn for himself and for each male servant" in order to assure an adequate harvest of food crops.

Then, 23 years later, tobacco production had become so excessive in relation to available markets that a production restriction and price maintenance agreement was worked out between the local government and the tobacco buying merchants.

We are told that as a part of this early agreement, production in 1639, 1640, and 1641 was to be limited to 1,200,000 pounds of good quality tobacco a year and the

merchants agreed "to accept 40 pounds for each 100 pounds of indebtedness due them."

Tobacco was to be purchased at not less than 3 pence per pound. The quality problem was handled by appointing "viewers" to destroy inferior tobacco. If necessary the viewers were directed to burn excess crops.

I mention these problems which American tobacco producers encountered and dealt with more than 300 years ago because they are so similar to the problems they are wrestling with today.

This legislation, while far from perfect, as the committee report points out, does give our tobacco farmers an opportunity to freely choose for themselves to retain their existing acreage control program or to adopt the acreage-poundage proposal contained therein.

It is true there are differences among producers concerning the method of establishing the poundage base for each farm. In addition, a substantial number of farmers, while approving the poundage approach to supply adjustment, oppose the poundage program for 1965. They contend that planning for the 1965 crop, including land leases, tenant arrangements and production materials is too far advanced, and that this would impose hardships upon many producers. I am sure there is much truth in this position. On the other hand, those farmers who are anxious for the inauguration of a poundage program this year supported by the USDA stress that under the current acreage allotment program, with the continuing explosion of present acre yields, many new millions of pounds of tobacco will be piled upon the present surplus heap, making immensely more difficult any shift to a poundage program next year or thereafter.

Notwithstanding these differences, and even though a bill of this kind will of necessity contain some inequities that cannot be eliminated, the safety valve herein contained is the provision for referendum in which tobacco farmers may freely make the decision for themselves. When this bill is considered in the Senate, I am sure the Agriculture Committee of that body will carefully consider any remaining objections and suggestions which are not satisfactorily disposed of by the House Committee and by this body. It is regrettable that the minds of even fair men such as we have on the House Agricultural Committee and in this body cannot perfect legislation which will anticipate all eventualities and eliminate all possible inequities. Of one thing I am sure. If this legislation is passed and our farmers adopt the acreage-poundage approach, as we gain experience in the operation through poundage quotas, I know every effort will be made to improve this program and perfect the legislation in the years ahead.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman.

Mr. CHELF. In the final analysis, it will all be decided by the farmers themselves and if two-thirds of them want it,

they can have it and if they do not want it, they can kill it.

Mr. FOUNTAIN. The gentleman is absolutely right. They can take it or leave it.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Chairman, I take this time in order to inquire of the gentleman from Ohio if he knows the views on this legislation of the farm organizations or groups representing farmers such as the American Farm Bureau?

Mr. LATTA. The Grange and the Farmers Union are both for the bill.

The American Farm Bureau is against it. In fact, I have a copy of a letter dated February 24, 1965, from the American Farm Bureau Federation addressed to the Honorable WATKINS M. ABBITT, chairman of our subcommittee. That letter is as follows:

AMERICAN FARM BUREAU FEDERATION,
February 24, 1965.

The Honorable WATKINS M. ABBITT,
Chairman, House Agriculture Subcommittee
on Tobacco, U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ABBITT: We appreciate being asked to express the views of the American Farm Bureau Federation at a hearing of your subcommittee on H.R. 4352 and similar bills that would provide for acreage-poundage marketing quotas for tobacco.

The voting delegates of the member State farm bureaus to the AFBF annual meeting have for many years opposed poundage controls on any commodity. They reaffirmed this policy at our annual meeting in December 1964. Therefore, the organization must oppose the enactment of this legislation.

Would you please make this letter a part of the hearing record?

Sincerely yours,

CHARLES B. SHUMAN,
President.

Mr. MATHIAS. I thank the gentleman.

Mr. McCULLOCH. Mr. Chairman, will the gentleman from Ohio yield me 1 minute?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I am pleased that Ohio has on the Committee on Agriculture my colleague from northwestern Ohio [Mr. LATTA]. I should like to ask the gentleman this question: We grow in our district in Ohio, believe it or not, rather large quantities of binder and filler-type tobacco. Can the gentleman tell me whether those people who grow and market that kind of tobacco are for or against this particular legislation?

Mr. LATTA. In answer to the gentleman's question, I might say that for 1965 they would not be included in this program, though for subsequent years they could be. A letter from one of your good constituents, Mr. Eldene Lambert of Arcanum, Ohio, was received by our chairman and I would like to read it, if I may. The letter follows:

ARCANUM, OHIO,
February 26, 1965.

HON. WATKINS M. ABBITT,
Chairman, Tobacco Subcommittee, House
Committee on Agriculture, Room 1310,
Longworth House Office Building, Wash-
ington, D.C.

DEAR MR. CHAIRMAN: We tobacco growers of type 42, 43, and 44 would like to be ex-

empt from the poundage legislation for reasons as follows: We can control acres but cannot control pounds because of the weather factor involved. If we have rain with moderate temperature we have a very good crop. If we have a hot dry summer our crop will fall short by 500 to 800 pounds per acre. Therefore we do not want the poundage control for western Ohio.

Yours truly,

ELDENE LAMBERT.

Mr. McCULLOCH. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the chairman of the subcommittee, the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman and members of the Committee, this bill is not as complicated as you might have been led to believe, I say to those who are not familiar with our tobacco program. I am not sure whether those who are not familiar with the tobacco program know any more about it now than they did when we started, because of the various positions that have been taken.

This bill, in simple language, provides, if enacted into law, that within 30 days after its enactment the Secretary shall call for a referendum in 1965 for the Flue-cured producers to vote whether or not they desire, for the years 1965, 1966, and 1967, to go on an acreage-poundage allotment.

Before this program can go into effect it must be approved by two-thirds of the producers participating.

I hear a lot about voting these days around the Capitol. I assume that a lot of people are in favor of voting. I am surprised that some of our people would be opposed to the farmers expressing their views and opinions as to the type and kind of program they desire.

This is not a question of Congress acting to make a change. It will simply permit the referring of the matter to the producers, and before the program can be changed and a new program put into effect, two-thirds of those participating in the referendum will have to approve the change.

Something was said about hurrying up. This is no new program. It has been before us for many years. The chairman designated a subcommittee to hold hearings on a poundage bill some 8 or 10 years ago. The committee went through the tobacco-producing areas. It held a hearing in Virginia. It held a hearing in North Carolina, and on down the line. At that time the people were not convinced we needed the program.

Something was said about the Department, to the effect that at the same time the growers were voting on the program for 1965 representatives of the Department were probably up here working on this legislation. That is simply a mistake. This is not a Department idea. It is not a proposal of the Congress, or of the subcommittee or the committee.

Soon after January 1, the Flue-cured tobacco producers got together. They realized what had happened in the past. Those who take the lead in these matters got together and determined among themselves that unless progress was made in the program and unless the program could be changed to meet the needs,

we might have some hard times in our tobacco program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I will be happy to yield the gentleman 2 additional minutes.

Mr. ABBITT. These growers came before our committee. Even before the committee was organized the chairman, the gentleman from North Carolina [Mr. COOLEY], called us together informally and heard them. They were insistent that they be given the opportunity to explain this program to the producers and let the producers decide whether or not the acreage-poundage program was needed. Frankly, in 1963 they produced 1,371 million pounds of tobacco. They took a 10-percent cut in 1964 and produced 1 percent more tobacco. That demonstrates that we have to have poundage controls.

In 2 years we took a 15-percent cut in all. We have had a tremendous cut in acreage year by year and the farmers have always stood by that program, but they realized that poundage was what sold. We are endeavoring to fix it so that our producers can have better quality, and in doing that we came up with this program. Somebody said what are we doing restoring acreage? We simply restore it so our people can have a better chance and a better opportunity to grow better tobacco. We have drawn our rows together. We have drawn our plants together. In this way we have seen that our quality is not what is should be. That is the only purpose of giving them the additional acreage; that is, so that they can space the tobacco plants properly and produce a better quality tobacco.

Something was said here about the Georgia boys planting their tobacco. That is true, but they are given a 10-percent poundage overage or carryover. If they are not able to get all of that this year, they can have the 10-percent carryover next year. The whole purpose of that carryover, which was criticized awhile ago, is to give the farmer protection, because you cannot expect them to produce the exact allotment pounds right on the head. They may go a few pounds over or a few pounds under. This is simply a protection to the farmers. I hope that you people will give the farmers the opportunity to decide whether or not they want this change.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. BROYHILL].

(Mr. BROYHILL of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. BROYHILL of North Carolina. Mr. Chairman, and colleagues, under the present tobacco program there is an incentive for the grower to produce as many pounds per acre as possible. In many instances it may have been done with the full knowledge that tobacco, regardless of its market acceptability, can be disposed of by using stabilization as a dumping ground for unmarketable

tobacco. This does no one any good—neither the tobacco grower nor the American taxpayers. In order to curb tobacco production and reduce the flow of tobacco stocks into stabilization, the practice in recent years has been to reduce drastically the number of acres on which tobacco may be grown. What has been the result? Growers have made every effort to increase their yields per acre. Growers cannot be blamed for having done so. The difficulty is with the system itself.

The opponents of this bill make a poor argument when they say that acreage reductions promulgated last year will solve the problem, because the history of the program shows otherwise. All we have to do is look at the record. The record shows conclusively, that notwithstanding acreage reductions, yields per acre have risen drastically and total production of tobacco has not been materially affected. Further acreage reductions are not the answer. If the avowed purpose of the opponents of this legislation is to drive farmers off the farm, then certainly further acreage reductions will accomplish that purpose. The prime purpose of this legislation is to save a program which means so much to great numbers of small family type farms.

Let us look at some of the advantages of acreage-poundage proposals. Failure to modify the present program will put increased incentives on yields per acre. We will see a repetition of 1964 so far as the amount and the kind of tobacco flowing into stabilization is concerned. A national quota will be set which will permit an orderly tobacco marketing system.

We will be able to produce the exact amount of tobacco needed. In addition, this program will give the grower incentive to follow growing practices that will tend to produce tobacco with market acceptance throughout the world.

Another is that the individual grower will have opportunity to reduce production costs. With emphasis today on ways to improve the income of all American citizens let us pass this bill so that the tobacco farmer will have the opportunity to maintain his economic position in his community.

Mr. LATTI. Mr. Chairman, I have no further requests for time.

Mr. COOLEY. Mr. Chairman, I yield the remaining time on this side to the gentleman from Virginia [Mr. TUCK].

Mr. TUCK. Mr. Chairman, I am supporting the legislation now under consideration for a referendum, although, as I shall point out later, I would have preferred for the proposal to have been in a different form.

I want to take this opportunity of expressing my appreciation of the worth and merit of the distinguished chairman of the Committee on Agriculture, the gentleman from North Carolina, the Honorable HAROLD D. COOLEY. He is, as every Member of this body knows, one of the outstanding Representatives in the Congress. He is well informed, a diligent and prodigious worker, a capable and skillful legislator whose heart and mind are both attuned to the highest

public good and who is particularly interested in the American farmer. He has sought earnestly to assist in the solution of their problems.

I would especially like to make note of the manner in which he took an early interest in the proposed tobacco legislation. Before his committee was formally organized, he and the present chairman of the Tobacco Subcommittee, my colleague and long-time, warm personal and political friend, the gentleman from Virginia [Mr. ABBITT], began to hear and consult with witnesses and to collate the facts and information relative to the problems of the tobacco farmer. They held public hearings in Washington and in at least three of the tobacco-growing States to which the farmers and others interested in the tobacco economy were invited and given an opportunity to be heard.

The legislation, as I said in the beginning, is not in the form in which I would like it. Along with my colleague the gentleman from Virginia [Mr. ABBITT], I labored diligently to amend the bill, both in the subcommittee and in the full committee, so as to substitute the national poundage average of 1,814 pounds as the base for the formula, but all of these efforts were fruitless and we were not successful. Also, I have considerable misgiving as to whether or not it is practicable for the legislation to become effective in 1965 in view of the time element involved. I am likewise concerned with respect to the attitude of tobacco growers with reference to the above two aspects of the legislation.

Nevertheless, the tobacco legislation in the past has been successful and has proved to be a great boon to the economy, not only of tobacco producers, but also to thousands of others who are interested in tobacco and who derive their income in whole or in part from this source.

The success of the program has been due largely to the fact that our farmers and others have exhibited a unity of interest and purpose, as well as a unity of action. I know that, unless we stand together in these matters, the whole program may be destroyed. Some legislation is essential, if not indeed indispensable, to the thrift and financial success of our farmers, merchants, tobacco warehousemen, manufacturers, and others. We must not have a cleavage within our ranks. Hence, I am supporting this legislation.

Tobacco is one of the basic American commodities. It should not be necessary for me to remind the Members of the Congress of the importance of tobacco to the economy of this Nation. It is the heaviest taxed of all of our farm commodities. The tobacco industry probably constitutes the largest segment of taxpayers in America.

Tobacco is one of the major farm products in the district which I have the honor to represent. Thousands of families depend upon it for all or a part of their livelihood.

It is a difficult crop to grow. To produce high quality tobacco successfully requires the exercise of the most painstaking diligence and skill. The growing

of it is a laborious task, extending from one end of the year to the other. There are also many weather hazards and risks which the farmer must assume, and thus disaster attends his way and he does not produce a successful crop every year.

The history of tobacco is entwined with long and glorious history of our country, beginning with the Jamestown Colony and continuing to span the years to the present day. The quality of tobacco grown in the bright-leaf, Flue-cured area of America is and its aroma of such a character that it is known all over the world and relished by lovers of the weed from the crowned heads of Europe to the barefoot savages of the jungle. Thus, in the consideration of this legislation, I hope that the Members of Congress who represent districts in which no tobacco is grown will not overlook and be unmindful of the vast importance of this subject and of this legislation.

The tobacco growers should certainly have the opportunity to pass upon the subject and to decide for themselves whether or not they favor the acreage-poundage program and whether or not they wish to have it take effect for the year 1965. If by chance they should disapprove the program, I hope the Congress will promptly pass other legislation for a referendum along these lines, but with a different formula, and to take effect in the year 1966.

Mr. LATTI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. VANIK].

(Mr. VANIK asked and was given permission to revise and extend his remarks.)

Mr. VANIK. Mr. Chairman, I want to oppose in principle a continuance in any form of Federal subsidy on the raising of tobacco.

Mr. Chairman, it seems to me we ought to be taking concrete steps toward facing up to the health hazards of tobacco. This is the place to begin.

The other day, Mr. Chairman, the Surgeon General of the United States, Dr. Luther Terry, asked Congress for an appropriation of \$1,875,000 with which to publicize the health hazards involved in the use of tobacco.

Only in the United States can we find the Government on both sides of the tobacco issue, spending the taxpayers' money to foster effective production and at the same spending the taxpayers' money to publicize the harmful effects of the tobacco produced.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 5721, a bill to provide acreage-poundage marketing quotas for tobacco. Coming from a State which grows no tobacco, and having considered this measure as a member of the Committee on Agriculture, I do hope I can contribute objectively to the discussion.

History tells us that in 1613 John Rolfe sent the first shipment of Virginia tobacco from Jamestown to England. Rolfe, as we all know, was the husband of the famous Indian princess, Pocahontas.

From that time to the present day, tobacco has been closely linked with our Nation's history and economic well-being. The growing of tobacco and the

manufacturing of tobacco products have been one of our leading industries. Some 21 States are now engaged in the growing of tobacco, which has become an \$8 billion industry. It has contributed substantially to our balance of payments with other countries. We are informed too that tobacco levies totaling over \$3 billion are now collected annually by Federal and State Governments.

The industry is now in difficulty and needs our help. In spite of severe restrictions upon acreage devoted to the tobacco crop, surpluses have accumulated which now endanger the operations of the tobacco price stabilization program. It is noteworthy that the appeal for congressional assistance has come not only from the Department of Agriculture, but from tobacco growers as well.

Clearly, the acreage quota system, irrespective of its merits in the past, is today very inadequate.

The acreage-poundage marketing quotas set forth in H.R. 5721 are intended to reduce the present surplus and place the entire industry on a more sound economic footing. We should recognize that the acreage-poundage formula is not a panacea. It is a definite improvement, however, over the present system which has produced a condition of grave concern to the Nation.

The proposed legislation provides for restrictions which will not be the result solely of deliberations by the Congress. Rather, by means of the special referendum which is provided, it affords farmers engaged in the production of flue-cured tobacco the opportunity to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis. This, in my opinion, is eminently fair. Unless 66⅔ percent of the farmers voting in the special referendum approve, the marketing quotas on an acreage-poundage basis will not go into effect.

It is most urgent that we enact H.R. 5721 immediately in order to carry out the provisions of the special referendum and, if approved by the required percent of producers, apply the acreage-poundage quotas to the 1965 Flue-cured tobacco crop.

I urge a favorable vote for this important bill.

Mr. GATHINGS. Mr. Chairman, the so-called acreage-poundage tobacco bill, H.R. 5721, will set a precedent that may be used in the future in connection with other control crops, including cotton, rice, wheat, and peanuts. In connection with cotton and rice, the acreage allotment system has worked well and will continue to work successfully. Producers are cognizant that in order to obtain the benefits of price supports from their Government they should keep their acreage in line with the demand at home and abroad for the products they grow. Reductions in acreage allotments have been invoked from time to time on cotton and rice farmers. They plant the reduced allotments and comply with the programs of these crops.

I cannot subscribe to a control program which is based upon pounds, bushels, and bales. While I would like to favor legislation by my colleagues

from the Flue-cured tobacco areas, I cannot support a system such as contained in H.R. 5721 establishing farm poundage quotas.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, hereinafter referred to as the "Act", is amended by adding immediately following section 316 a section 317 to read as follows:

"ACREAGE-POUNDAGE QUOTAS

"SEC. 317. (a) For purposes of this section—

"(1) 'National marketing quota' for any kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year, adjusted upward or downward in such amount as the Secretary, in his discretion, determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of excessive supplies in order to achieve the policy of the Act.

"(2) 'National average yield goal' for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

"(3) 'National acreage allotment' means the acreage determined by dividing the national marketing quota by the national average yield goal.

"(4) 'Farm acreage allotment' for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by adjusting uniformly the acreage allotment established for such farm for the immediately preceding year, prior to any increase or decrease in such allotment due to undermarketings or overmarketings and prior to any reduction under subsection (f), so that the total of all allotments is equal to the national acreage allotment less the reserve provided in subsection (e) of this section with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for overmarketing or undermarketing and to reflect any reduction required under subsection (f) of this section, and including any adjustment for errors or inequities from the reserve.

"(5) The 'community average yield' means for Flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the three highest years of the five years 1959 to 1963, inclusive, except that if the yield for any of the three highest years is less than 80 per centum of the average for the three years then that year or years shall be eliminated and the average of the remaining years shall be the community average yield. Community average yields for other kinds of tobacco shall be determined in like manner, except that the five most recent crop years for which data are available shall be used instead of the period 1959 to 1963.

"(6) (A) 'Preliminary farm yield' for Flue-cured tobacco means a farm yield per acre determined by averaging the yield per acre for the three highest years of the five consecutive crop years beginning with the 1959

crop year except that if that average exceeds 120 per centum of the community average yield the preliminary farm yield shall be the sum of 75 per centum of the average of the three highest years and 25 per centum of the national average yield goal but not less than 120 per centum of the community average yield, and if the average of the three highest years is less than 80 per centum of the community average yield the preliminary farm yield shall be 80 per centum of the community average yield. In counties where less than five hundred acres of Flue-cured tobacco were allotted for 1964, the county may be considered as one community. If Flue-cured tobacco was not produced on the farm for at least three years of the five-year period the average of the yields for the years in which tobacco was produced shall be used instead of the three-year average. If no Flue-cured tobacco was produced on the farm in the five-year period but the farm is eligible for an allotment because Flue-cured tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

"(B) 'Preliminary farm yield' for kinds of tobacco, other than Flue-cured, means a farm yield per acre determined in accordance with subparagraph (A) of this paragraph (6) except that in lieu of the five consecutive crop years beginning with 1959 the five most recent crop years for which data are available for the kind of tobacco shall be used. In counties where less than five hundred acres of the kind of tobacco for which the determination is being made were allotted in the last year of the five-year period the county may be considered as one community. If tobacco of the kind for which the determination is being made was not produced on the farm for at least three years of the five-year period, the average of the yields for the years in which the kind of tobacco was produced shall be used instead of the three-year average. If no tobacco of the kind for which the determination is being made was produced on the farm in the five-year period but the farm is eligible for an allotment because such tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

"(7) 'Farm yield' means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm prior to adjustments for overmarketing, undermarketing, or reductions required under subsection (f) and dividing the sum of the products by the national acreage allotment.

"(8) 'Farm marketing quota' for any farm for any marketing year shall be the number of pounds of tobacco obtained by multiplying the farm yield by the acreage allotment prior to any adjustment for undermarketing or overmarketing, increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if marketing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: *Provided*, That the farm marketing quota for any marketing year shall not be increased for undermarketing by an amount in excess of the number of pounds determined by multiplying the acreage allot-

ment for the farm for the immediately preceding year prior to any increase or decrease for undermarketing or overmarketing by the farm yield. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

"(b) Within thirty days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco, and within thirty days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967, in lieu of quotas on an acreage basis in effect for those marketing years. If the Secretary determines that more than 66⅔ per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in this section shall be in effect for those marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

"(c) Whenever, during the first or second marketing year of the three-year period for which marketing quotas on an acreage basis are in effect for any kind of tobacco, including Flue-cured tobacco, the Secretary, in his discretion, determines with respect to that kind of tobacco that acreage-poundage quotas under this section would result in a more effective marketing quota program for that kind of tobacco he shall at the time the next announcement of the amount of the national marketing quota under section 312(b) of this Act determine and announce the amount of the national quota for that kind of tobacco under this section of the Act and at the same time announce the national acreage allotment and national average yield goal and within thirty days thereafter conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the next three marketing years. If the Secretary determines that more than 66⅔ per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis as provided in this section, quotas on that basis shall be in effect for the next three marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

"(d) If marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis pursuant to subsections (b) or (c) the Secretary shall, not later than December 1 of any marketing year with respect to Flue-cured tobacco, and February 1 with respect to other kinds of tobacco, proclaim a national marketing quota for that

kind of tobacco for the next three succeeding marketing years if the marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect. The Secretary, in his discretion, may proclaim the quota on an acreage-poundage basis as provided in this section or on an acreage allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco, and shall conduct a referendum in accordance with the provisions of section 312(c) of this Act. If the Secretary determines that more than one-third of the farmers voting oppose the national marketing quotas the results shall be proclaimed and the national marketing quota so proclaimed shall not be in effect. If the Secretary proclaims the quotas on an acreage-poundage basis he shall determine and proclaim at the same time the national marketing quota, national acreage allotment, and national average yield goal for the first year of the three years for which quotas are proclaimed. Notice of the farm marketing quota which will be in effect for his farm for the first marketing year covered by the referendum insofar as practicable shall be mailed to the farm operator prior to the holding of any special referendum under subsections (b) or (c) or a referendum on acreage-poundage quotas under this subsection. The Secretary shall determine and announce the national marketing quota, national acreage allotment and national average yield goal for the second and third marketing years of any three-year period for which national marketing quotas on an acreage-poundage basis are in effect on or before the December 1 with respect to Flue-cured tobacco and the February 1 with respect to other kinds of tobacco immediately preceding the beginning of the marketing year to which they apply. Whenever a national marketing quota, national acreage allotment, and national average yield goal are determined and announced, the Secretary shall provide for the determination of farm acreage allotments and farm marketing quotas under the provisions of this section for the crop and marketing year covered by the determinations.

"(e) No farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding five years. For each marketing year for which acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than 1 per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments, adjusting inequities, and for establishing acreage allotments for new farms, which are farms on which tobacco was not produced or considered produced during the immediately preceding five years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop rotation practices, soil and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms.

"(f) Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage-poundage programs established under this section. The acreage reductions required under the last two sentences shall be in addition to any other adjustments made pursuant to this section, and when acreage reductions are made the farm marketing quota shall be reduced to reflect such reductions. The pro-

visions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production or marketings of tobacco grown on a farm for which an acreage allotment and a farm yield are established as provided in this section. In establishing acreage allotments and farm yields for other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency. Acreage allotments and farm marketing quotas determined under this section may be leased under the terms and conditions contained in section 316 of this Act, except that (1) the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields, and (2) any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred.

"(g) When marketing quotas under this section are in effect, provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

"(1) No penalty on excess tobacco shall be due or collected until 110 per centum of the farm marketing quota for a farm has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable, and collected at the time of marketing on each pound of tobacco marketed, and any tobacco marketed in excess of 100 per centum of the farm marketing quota will require a reduction in subsequent farm marketing quotas in accordance with paragraph (a)(8): *Provided, however*, If the Secretary, in his discretion, determines it is desirable to encourage the marketing of grade N₂ tobacco, or any grade of tobacco not eligible for price support, in order to meet the normal demands of export and domestic markets, he may authorize the marketing of such tobacco in a marketing year without the payment of penalty or deduction from subsequent quotas to the extent of 5 per centum of the farm marketing quota for the farm on which the tobacco was produced.

"(2) When marketing quotas established under this section are in effect the provisions with respect to penalties contained in the third sentence of subsection 314(a) shall be revised to read: 'If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 per centum of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment and the penalty in respect thereof shall be paid and remitted by the producer.'

"(3) For the first year a marketing quota program established under the provisions of this section is in effect, the words 'normal production' where they appear in the fourth sentence of subsection (a) of such section shall be read 'farm yield' and the said fourth sentence shall otherwise be applicable. For the second and succeeding years for which a program established under the provisions of this section is in effect, the provisions of subsection (a)(8) shall apply when penalties, if any, on carryover tobacco are computed, and the provisions contained in the fourth sentence of subsection 314(a) shall not be applicable."

Sec. 2. Subsection (j) of section 313 of the Agricultural Adjustment Act of 1938, as added by Public Law 361, 84th Congress, approved August 11, 1955, is amended by inserting immediately following the language "(g) hereof" wherever it appears in said subsection the language "or section 317".

Sec. 3. Section 106 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

"(c) If acreage-poundage farm marketing quotas are in effect under section 317 of the Agricultural Adjustment Act of 1938, as amended, (1) price support shall not be made available on tobacco marketed in excess of 110 per centum of the marketing quota for the farm on which such tobacco was produced, and (2) for the purpose of price-support eligibility, tobacco carried over from one marketing year to another to avoid marketings in excess of the farm marketing quota shall, when marketed, be considered tobacco of the then current crop."

Mr. COOLEY (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT OFFERED BY MR. STUBBLEFIELD

Mr. STUBBLEFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STUBBLEFIELD: On page 8, line 24, strike out the period and insert a colon and the following:

"Provided, however, That the Secretary shall not make any such determination with respect to any kind of tobacco except Flue-cured tobacco unless prior thereto he shall conduct public hearings in the areas where such tobacco is produced for the purpose of ascertaining and taking into consideration the attitudes of producers and other interested persons with respect to acreage-poundage quotas."

Mr. STUBBLEFIELD. Mr. Chairman, this amendment merely directs the Secretary to hold hearings in the area in which other types of tobacco are grown before he makes any determination as to quotas on a poundage basis.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. STUBBLEFIELD. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I have considered this amendment, and it is entirely agreeable to me.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. STUBBLEFIELD. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I have seen this amendment before it was offered. I made the suggestion that the gentleman include any kind of tobacco except Flue-cured. The gentleman has accepted my proposal, and we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. STUBBLEFIELD].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. O'NEAL OF GEORGIA

Mr. O'NEAL of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEAL of Georgia:

1. Strike out paragraph (b) of section 317 and redesignate paragraph (c), (d), (e), (f), and (g) as (b), (c), (d), (e), and (f), respectively.

2. On page 3, line 1 change "(f)" to "(e)".

3. On page 3, line 3 change "(e)" to "(d)".

4. On page 3, line 7 change "(f)" to "(e)".

5. On page 6, line 5 change "(f)" to "(e)".

6. On page 9, line 9, strike out "or (c)".

Mr. O'NEAL of Georgia. Mr. Chairman, the able gentleman from Kentucky points out that this bill will not go into effect this year unless the growers themselves approve it by referendum and that a two-thirds vote is required.

On the surface this sounds like a fair proposal or a magnanimous gesture, but it seems to me to be neither when you look at the eligibility requirements for voting and the geographical distribution of the votes.

As I pointed out previously, this is competition for quality and for money in the marketplace.

The growers who will have the unfair head start in 1965 are the ones who will dominate the referendum. The Library of Congress did a little research for me on this, and the results will surprise you as much as they did me.

Instead of one vote per farm or one vote per tobacco allotment, we have an intricate and complicated law of eligibility in the referendum. I cannot explain it to you—certainly not in a few minutes—and I do not charge that anyone votes illegally or that anyone else is denied the right, but I do say that the way it comes about does not provide a fair forum for this issue to be decided.

Florida has 6,922 allotments and 7,318 voters, or an increase of 396 over the allotments. Georgia has 25,889 allotments and 29,854 voters, or an increase of 3,965. South Carolina has 25,252 allotments and 44,520 voters, or an increase of 19,268, but hold onto your hats: North Carolina has 117,102 allotments and 305,822 voters, for an increase of 188,720.

North Carolina completely dominates the referendum. They have roughly 75 percent of all the votes and they are not worried about a 66⅔-percent requirement.

Gentlemen, I remind you this law puts all of the growers in a straitjacket except as to quality. That is all that is left. I doubt that Russian farmers have much more regimentation than this.

Will those who compete for quality be permitted to change the rules in the middle of the game? How would you like to play in a game where the rules were changed by the opposing team—and after you had gone to bat?

I call on you in the spirit of fairplay to vote for my amendment.

There is one other thing—I will not have the concluding argument but it probably will be argued that under the bill the farmer can choose to keep his bad tobacco this year and not sell it in the hope and expectation that he will make better tobacco next year. I remind the gentleman and I remind this

House that the tobacco farmer is a little farmer. He is having a hard time and he has to make this year's living this year.

I appreciate the provision in the law that protects him against a crop failure. But he cannot play a game. He and his family must eat with whatever is available this year.

Mr. LENNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the Committee, I think that we should think about and necessarily have to give some consideration to where historically the preponderant majority of Flue-cured tobacco has been produced in this country of ours. For more than 100 years 90 percent of the Flue-cured tobacco produced in the United States has been produced in the States of South Carolina, North Carolina, and Virginia.

Now I can understand and sympathize and I fully appreciate the position of our distinguished and beloved friends from Florida and Georgia. But then again, gentlemen of the House, I must say to you that those gentlemen doing the great job that they are, represent in round figures approximately 10 percent of all the growers in the continental United States. But that is not the reason why I stand on my feet to oppose the gentleman's amendment which would delay this matter another year.

More than 10 years ago many tobacco growers throughout the five States that produce Flue-cured tobacco recognized that you could no longer relate marketing quotas in poundage to acreage production. Let me illustrate.

In 1964 we produced more tobacco in pounds than we did 10 years before 1954. Yet, we had 40 percent less acreage.

Now this question is settled. If, as my friend the gentleman from Georgia said, the real reason why we put in the two-thirds vote rather than the simple majority vote was to be equitable with our friends from Florida and Georgia.

If he had simply said that the majority of the growers would make this determination at the ballot box, then they may have had some reason to complain and they may have had some reason to offer this amendment. But we went all the way. We said it is a fact that more than two-thirds of the farmers who are interested and want this program now this year are entitled to go to the polls within 30 days from the passage of this act and say whether they want it.

Since more than two-thirds of the farmers are in the States of Virginia, North Carolina, and South Carolina, we said, "Yes, we will go to two-thirds to give the few farmers of Georgia and Florida an opportunity."

Let me say to my friend, the gentleman from Georgia [Mr. O'NEAL], and to my other friends of Florida and Georgia, that if the growers themselves say they do not want this program in a referendum then the amendment will have been adopted by the growers themselves. It ought not be adopted on this floor.

I ask the membership of this House to vote down the gentleman's amend-

ment and to let the growers of these five Flue-cured tobacco States, in the democratic process, at the ballot box, by a two-thirds vote, decide what is best for their interests.

Mr. MATTHEWS. Mr. Chairman, I move to strike the requisite number of words.

I should like to ask the distinguished gentleman from Georgia [Mr. O'NEAL] if the purpose of his amendment is to delay the bill for 1 year.

Mr. O'NEAL of Georgia. The gentleman is correct. It will do nothing except delay the effectiveness of the act until the 1966 crop.

Mr. MATTHEWS. I say to the gentleman from Georgia that I am certainly in favor of his amendment. As he has so well pointed out, and as others of our colleagues from our section have pointed out, is it not true that much of our tobacco has already been planted this year?

Mr. O'NEAL of Georgia. That is absolutely correct, Mr. Chairman. The growers normally transplant after March 15. This is already after March 15.

Mr. MATTHEWS. I thank the distinguished gentleman.

I certainly believe the House should pass the amendment. In my section of Florida and in the section represented by the gentleman from Florida [Mr. FUQUA], our farmers have already planted their tobacco. It takes a lot of planning to figure exactly how much money one will get, to make arrangements for fertilizer, and to go into all the myriad details concerning production. It seems to me, Mr. Chairman, that this is the quid pro quo about which I was talking—just a little tit for tat, just a little concession.

I certainly hope the House will pass the amendment.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words.

(Mr. FUQUA asked and was given permission to revise and extend his remarks.)

Mr. FUQUA. Mr. Chairman and members of the Committee, I rise in support of the amendment as offered by the gentleman from Georgia [Mr. O'NEAL] to put this legislation off for 1 year so that the farmers will have an opportunity to at least vote on this measure before they have their plants in the ground.

As my esteemed friend the gentleman from North Carolina [Mr. LENNON] mentioned, the States of North Carolina and Virginia do grow a large majority of this tobacco. But I point out to the other Members of the House that the farmer in my district, who has only a small allotment of tobacco, or in the district of the gentleman from Florida [Mr. MATTHEWS], or in Georgia, is in a position where his tobacco is worth just as much to his family as it is to the families in North Carolina, where the majority of it is grown.

I appeal to the Members of the House to show some fairness to these people who have already started planting tobacco, and not to change the rules in the middle of the game.

This has been mentioned many times, and I do not wish to be repetitious, but the people of our States have already planted their tobacco. If this program is so important, and if it has the magnitude and graveness it is contended to have, and will have such an effect if we do not pass it, why was it not presented last fall, or some other time, when in at least we would have known what the estimated crop would be? No, they waited until this Congress came into session, after the farmers already were making preparations, and then suddenly there is a great big rush. It is said that we have to ram this through the House, rush it through the Senate, and try to hold a referendum, after our people have already planted their crops.

In the interest of fairplay, I plead with my colleagues to please adopt the amendment offered by the gentleman from Georgia so that our farmers, in Florida and Georgia and other parts, will at least have an opportunity to consider the legislation on its merits and not have to rush into it after they already have their plants in the ground and are ready to proceed with cultivating of this very important crop to them.

I plead with you, in the interest of fairplay, to adopt the amendment of the gentleman from Georgia.

Mr. KORNEGAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the Committee, I rise in support of this bill. I come from one of the oldest tobacco-growing areas in the country, the northern part of the State of North Carolina. My district is filled with a large number of rather small tobacco farmers. I would say the average is somewhere around 3 acres. It is a question of how long can the farmers in my area and in other areas of the tobacco-producing country continue to suffer cut after cut after cut in acreage. They got a cut of 5 percent 2 years ago, 10 percent last year, and 20 percent this year. As a result of these cuts, as a result of the constant increase in the number of pounds going into stabilization, the farmers themselves, I might say, have gotten together in the realization that something must be done if they are to keep the tobacco program which has worked so well in years gone by. There are some things about this bill which I do not like. There are some things about this bill I would like to change. But I say to you, my friends, that this tobacco program is so important to my people and to the people of all the tobacco-producing areas of the country and to the country as well that this bill should be voted on today and passed. In my opinion, this bill and what it will do and the shape it will put the tobacco program in is far more important than some of the little misgivings that we might have about various sections of it.

I also oppose the amendment offered by my very good friend from Georgia. This matter was first brought to the attention of the public back in November of last year, as I understand it, from a committee which was appointed by the

Secretary of Agriculture. Of course, this bill had not been drawn then. Of course, many of the features in the bill were unknown at that time. But the public was put on notice that there was considerable thought in this country that there would be and there was a good possibility that there would be a shift in controls from acreage only to a system of acres and pounds. This bill is necessary this year, my colleagues, because there are now about 950 million pounds of tobacco in stabilization. Last year 286 million pounds were put in. The year before 277 million pounds were put in. If this crop year is a bumper crop, as it was last year, that will be just about the straw that breaks the camel's back. With all due deference to my good friend and with understanding of his position, this program is far too important to the economy of his area and my area and the whole United States to let it go down the drain because of the failure of the Congress to give the farmers the right to vote. This is not an effort to put it upon the farmers but merely to give them the privilege of saying whether they want to live under this program. If they do not like it, they ought to vote it down. If they want the tobacco program and think well of it, they ought to vote for it.

One more thing. My good friend from Ohio said he opposes the bill because of the health scare in connection with tobacco. Let me tell him and anyone else who is of like mind in this body that he ought to take exactly the contrary position because if you eliminated the tobacco program, you would not be able to park an automobile in certain areas of the State of North Carolina, South Carolina, and Virginia and some of those other places that will be growing tobacco. Why they will be growing tobacco in flowerpots down there. Therefore, it would actually result in a tremendous increase in the amount of tobacco grown in this country and, of course, if it is consumed, it will amount to an increase in the consumption of it. The tobacco program has meant a lot to this country and to my district and to my State and to my area. I urge all of you to consider this matter carefully and seriously because it is of extreme importance to each and every Member of this House.

The tax revenue figures from tobacco are tremendous. People are smoking now and have smoked since the days of Sir Walter Raleigh, and they are going to continue to smoke. I understand about 70 million people are smokers. I urge you to support this bill.

Mr. LATTA. Mr. Chairman, will the gentleman yield for a question?

Mr. KORNEGAY. Yes. I will be glad to yield to the gentleman.

Mr. LATTA. As I understand the bill, if this bill is defeated today, tobacco growers will still be under the old bill they are operating under now.

Mr. KORNEGAY. Yes. I did not mean to leave the impression that to vote this bill down would do away with the whole program.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall be very brief. I want the record to show that we officially received a proposed tobacco bill from the administration on February 4, which I think was a Friday. On the following Monday I introduced a bill. We had hearings in the field and when the subcommittee returned to Washington we had further hearings and further conferences. We have put out a lot of labor; we worked long and hard to bring this bill to the floor of the House and we met with some delays which were unavoidable.

The bill is now here and it should be enacted and sent over to the other body so that the farmers may freely conduct a referendum and express their views. If they approve the amendment offered by our friend from Georgia they can vote down this program when the referendum is called.

So, Mr. Chairman, I urge all of the Members to vote against the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. O'NEAL].

The question was taken; and on a division (demanded by Mr. O'NEAL of Georgia) there were—ayes 13, noes 57.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. EDMONDSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5721) to amend the Agriculture Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, pursuant to House Resolution 280, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT

Mr. LATTA. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LATTA. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LATTA moves to recommit the bill H.R. 5721 to the Committee on Agriculture.

The SPEAKER pro tempore. The question is on the motion to recommit. The motion was rejected.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the "ayes" had it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 206, nays 170, not voting 57, as follows:

[Roll No. 45]

YEAS—206

Abbott	Hanna	Philbin
Abernethy	Hansen, Iowa	Pickle
Addabbo	Hardy	Poage
Albert	Harris	Poff
Annunzio	Hathaway	Pool
Ashmore	Hays	Powell
Aspinall	Hechler	Price
Bandstra	Helstoski	Pucinski
Barrett	Henderson	Purcell
Beckworth	Hicks	Randall
Bingham	Hollifield	Redlin
Boggs	Hull	Reuss
Brademas	Hungate	Rhodes, Pa.
Brooks	Huot	Rivers, Alaska
Broyhill, N.C.	Ichord	Roberts
Broyhill, Va.	Johnson, Calif.	Rodino
Burke	Jonas	Rogers, Colo.
Burleson	Jones, Mo.	Rogers, Tex.
Byrne, Pa.	Karsten	Ronan
Cabell	Karth	Rooney, N.Y.
Callan	Kastenmeier	Rooney, Pa.
Carey	Kee	Rosenthal
Carter	Kelly	Rostenkowski
Casey	Keogh	Ryan
Celler	King, Calif.	Satterfield
Chelf	Kirwan	St. Onge
Clark	Kluczynski	Scheuer
Clevenger	Kornegay	Schmidhauser
Colmer	Lennon	Scott
Cooley	Long, La.	Secrest
Craley	Long, Md.	Senner
Culver	Love	Shipley
Daddario	McGrath	Sickles
Dawson	McVicker	Sisk
de la Garza	Machen	Skubitz
Delaney	Mackie	Slack
Denton	Madden	Smith, Iowa
Diggs	Mahon	Smith, N.Y.
Donohue	Marsh	Smith, Va.
Dorn	Matsunaga	Staggers
Dow	Meeds	Stalbaum
Dowdy	Mills	Steed
Downing	Mink	Stubblefield
Dulski	Mize	Sullivan
Duncan, Ore.	Monagan	Sweeney
Edmondson	Moorhead	Tenzer
Edwards, Calif.	Morgan	Thompson, La.
Evans, Colo.	Morris	Thompson, Tex.
Evins, Tenn.	Morrison	Thomson, Wis.
Fallon	Morton	Todd
Farnsley	Moss	Trimble
Fisher	Multer	Tuck
Flood	Murphy, Ill.	Udall
Foley	Murphy, N.Y.	Ullman
Ford,	Murray	Vanik
William D.	Natcher	Vigorito
Fountain	Nedzi	Waggonner
Fraser	O'Brien	Walker, N. Mex.
Gallagher	O'Hara, Ill.	Watts
Garmatz	O'Hara, Mich.	Weitner
Gettys	O'Konski	White, Idaho
Gilbert	Olsen, Mont.	White, Tex.
Gilligan	Olson, Minn.	Whitener
Gonzalez	O'Neill, Mass.	Whitten
Gray	Passman	Williams
Green, Pa.	Patman	Willis
Greigg	Patten	Yates
Griffiths	Pepper	Young
Hagen, Calif.	Perkins	Zablocki

NAYS—170

Adair	Arends	Berry
Anderson, Ill.	Ashbrook	Betts
Anderson,	Ashley	Boland
Tenn.	Ayres	Bolton
Andrews,	Baldwin	Bow
George W.	Bates	Brock
Andrews,	Battin	Broomfield
Glenn	Belcher	Brown, Ohio
Andrews,	Bell	Buchanan
N. Dak.	Bennett	Burton, Calif.

Burton, Utah	Grover	Morse
Byrnes, Wis.	Gubser	Mosher
Cahill	Hagan, Ga.	Nelsen
Cameron	Haley	O'Neal, Ga.
Cederberg	Hall	Ottinger
Chamberlain	Halleck	Pelly
Clancy	Halpern	Pike
Clausen,	Hanley	Pirnie
Don H.	Harsha	Quile
Clawson, Del	Harvey, Ind.	Quillen
Cleveland	Harvey, Mich.	Race
Cohelan	Hawkins	Reid, Ill.
Collier	Herlong	Reifel
Conte	Horton	Reinecke
Corbett	Hosmer	Rhodes, Ariz.
Corman	Hutchinson	Rivers, S.C.
Cramer	Jacobs	Robison
Cunningham	Jarman	Rogers, Fla.
Curtis	Joelson	Roncalio
Dague	Johnson, Pa.	Roush
Davis, Ga.	Keith	Roybal
Davis, Wis.	King, N.Y.	Rumsfeld
Devine	King, Utah	St Germain
Dingell	Krebs	Saylor
Dole	Kunkel	Schneebeli
Duncan, Tenn.	Landrum	Schweiker
Dwyer	Langen	Selden
Dyal	Latta	Shriver
Edwards, Ala.	Lindsay	Sikes
Erlenborn	Lipscomb	Smith, Calif.
Farbstein	McCarthy	Springer
Farnum	McClory	Stafford
Fascell	McCulloch	Stanton
Feighan	McDade	Stephens
Findley	McDowell	Stratton
Fino	McEwen	Talcott
Flynt	McMillan	Tunney
Fogarty	Macdonald	Tupper
Ford, Gerald R.	MacGregor	Tuten
Fulton, Pa.	Mackay	Utt
Fulton, Tenn.	Mailliard	Van Deerlin
Fuqua	Martin, Ala.	Walker, Miss.
Gathings	Martin, Nebr.	Wilson, Bob
Gibbons	Mathias	Wilson,
Goodell	Matthews	Charles H.
Green, Ore.	Michel	Wyatt
Grider	Minish	Wyder
Griffin	Minshall	Younger
Gross	Moore	

NOT VOTING—57

Adams	Gialmo	Moeller
Baring	Grabowski	Nix
Blatnik	Gurney	Reid, N.Y.
Bolling	Hamilton	Resnick
Bonner	Hansen, Idaho	Roosevelt
Bray	Hansen, Wash.	Roudebush
Brown, Calif.	Hébert	Schisler
Callaway	Holland	Taylor
Conable	Howard	Teague, Calif.
Conyers	Irwin	Teague, Tex.
Curtin	Jennings	Thomas
Daniels	Johnson, Okla.	Thompson, N.J.
Dent	Jones, Ala.	Toll
Derwinski	Laird	Vivian
Dickinson	Leggett	Watkins
Ellsworth	McFall	Whalley
Everett	Martin, Mass.	Widnall
Frelinghuysen	May	Wolf
Friedel	Miller	Wright

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Laird.
 Mr. Thompson of New Jersey with Mr. Frelinghuysen.
 Mr. Taylor with Mr. Callaway.
 Mr. Wolf with Mr. Widnall.
 Mr. Toll with Mrs. May.
 Mr. Roosevelt with Mr. Whalley.
 Mr. Daniels with Mr. Roudebush.
 Mr. McFall with Mr. Teague of California.
 Mr. Dent with Mr. Watkins.
 Mr. Thomas with Mr. Ellsworth.
 Mr. Bonner with Mr. Derwinski.
 Mr. Jennings with Mr. Martin of Massachusetts.
 Mr. Blatnik with Mr. Bray.
 Mr. Friedel with Mr. Curtin.
 Mr. Jones of Alabama with Mr. Gurney.
 Mr. Irwin with Mr. Reid of New York.
 Mr. Teague of Texas with Mr. Hansen of Idaho.
 Mr. Gialmo with Mr. Conable.
 Mr. Brown of California with Mr. Dickinson.
 Mr. Grabowski with Mr. Nix.

Mr. Johnson of Oklahoma with Mr. Holland.

Mr. Miller with Mr. Everett.

Mr. Wright with Mr. Baring.

Mr. Resnick with Mr. Conyers.

Mr. Moeller with Mr. Schisler.

Mr. Leggett with Mrs. Hansen of Washington.

Mr. Vivian with Mr. Hamilton.

Mr. Howard with Mr. Adams.

Mr. EVANS of Colorado and Mr. O'KONSKI changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DISPOSAL, WITHOUT REGARD TO THE PRESCRIBED 6-MONTH WAITING PERIOD, OF ZINC FROM THE NATIONAL STOCKPILE AND THE SUPPLEMENTAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1496) to authorize the disposal, without regard to the prescribed 6-month waiting period, of zinc from the national stockpile and the supplemental stockpile, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: "That the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, from either the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) or the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)), or from both such stockpiles, (1) approximately one hundred and fifty thousand short tons of zinc, (2) approximately one hundred and fifty thousand short tons of lead, and (3) approximately one hundred thousand short tons of copper (part or all of which may be supplied in the form of brass and bronze, taking into account only the copper content thereof).

"The disposals authorized by this section may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, but the time and method of the disposals shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

"Sec. 2. The Administrator is also authorized, without regard to the provisions of the Strategic and Critical Materials Stock Piling Act, to make available an additional fifty thousand short tons of zinc and an additional fifty thousand short tons of lead now held in either the national stockpile or the sup-

plemental stockpile, or both such stockpiles, for direct use by agencies of the United States Government.

"Amend the title so as to read: 'An Act to authorize the release of certain quantities of zinc, lead, and copper from either the national stockpile or the supplemental stockpile, or both.'"

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BURTON of Utah. Mr. Speaker, reserving the right to object, and I shall not object, I would like to take a moment to inform the Members of the House that I would like to associate myself with the remarks that were made by the chairman of the full Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL] earlier in the day and to say that if it does not work out the way he hopes it will work out, I am sure the gentleman from Colorado will have the unqualified backing of his entire committee, if he decides to review the situation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PHILBIN. Mr. Speaker, my good friend and colleague, the Representative from the State of Colorado and distinguished chairman of the Interior and Insular Affairs Committee, WAYNE ASPINALL, has raised certain serious questions in his discussion on H.R. 1496, as amended.

Chairman ASPINALL was kind enough to inform me last week that he was going to make a statement concerning this bill, and furnished me a copy of his statement. Because of his courtesy in so doing, I, too, would like to read a statement to the House concerning the matters raised by the distinguished gentleman from Colorado.

He has asked me, as chairman of the subcommittee that handled this legislation, to give the House my assurance that the disposal of 100,000 short tons of copper will not be detrimental to the security of our country.

I believe that it is not possible to give "absolute assurance" regarding this point because I am told there is no firm information on which a categorical response can be based at this time. There are now a little over 1 million short tons of copper in all Government inventories, exclusive of that portion of the Defense Production Act inventory that has already been authorized or committed for direct Government use or commercial sale. After pointing this out in his testimony before the Subcommittee on the National Stockpile and Naval Petroleum Reserves of the Senate Committee on Armed Services, the Honorable Buford Ellington, Director of the Office of Emergency Planning, also indicated that

the present conventional war stockpile objective for copper is 775,000 short tons and that there is, thus, an excess of approximately 250,000 short tons above the conventional war stockpile objective.

But as my friend, Chairman ASPINALL, has stated, the Director of the Office of Emergency Planning went on to point out:

Because of the many complex and variable factors involved, studies on which an official and firm nuclear war stockpile objective for copper can be based may not be completed for some time. Preliminary estimates indicate that copper will be an extremely important material in the nuclear postattack period. This Office believes that the post-attack demand for copper may be substantially larger than that required for conventional war, and that the nuclear war stockpile objective for this material may be higher than the total of present inventories. The general standards and criteria for developing nuclear war stockpile objectives are now under review and, as I have stated, we will have no firm or official figures for possibly 12 to 15 months.

In recognition of this situation, the Director of the Office of Emergency Planning then pointed out:

Thus, the disposal of copper at this time could make it necessary to repurchase the equivalent of the released copper at some later time if the nuclear war stockpile objectives justify such action.

There is no way, therefore, to reach a firm and supportable answer to the question about the impact of the proposed disposal of 100,000 short tons of copper upon our security in the event of a nuclear attack upon the United States, and there will not be until such time as the supply requirement studies for nuclear war and reconstruction have been completed. But at this point, I think it should be made perfectly clear that while nuclear stockpile objectives could conceivably result in high objectives than those established for conventional war needs, they will be established ultimately on the basis of general criteria currently under study within the Federal Government. Until such time as those criteria are available, conventional war stockpile objectives have been considered in determining the Government's excess holding of stockpile items.

In essence, this means that all previous disposal actions approved by this body have been based on conventional stockpile needs. The suggestion by my good friend and colleague the gentleman from Colorado [Mr. ASPINALL] is that we treat the disposal of copper on a different basis than we have treated any other. I am unable, as is everyone else in the Government connected with this matter, to give a definitive answer to his question based upon the results of future studies. However, following the criteria that we have utilized in the past, my answer to his question based on conventional stockpile needs, is a definite "yes".

The second major question raised by my distinguished colleague, relates to the amount of zinc to be disposed of under the Senate version of H.R. 1496.

When S. 296, the bill originally introduced by Senator MANSFIELD to dispose of 100,000 short tons of copper on the basis of a loan from the national stockpile, was under consideration by the Sub-

committee on National Stockpiles and Naval Petroleum Reserves of the Senate Committee on Armed Services, the Director of the Office of Emergency Planning proposed that the bill be amended to provide for the release of brass and bronze as well as copper. In this connection, he pointed out that it would be necessary to keep in the stockpile and available for conventional war needs, copper of the appropriate type and quality and available in forms required for the most immediate and flexible use in the event of an emergency.

He stated that this meant "that all of the wire bars and all of the electrolytic cathodes—amounting to a total of 642,001 short tons—must be retained and that no copper of this type will be available for disposal." The Director then indicated that in the interest of national defense, copper in brass, copper in bronze, copper in other alloys, and some fire-refined alloys should be considered initially for sale. This amendment was adopted in substance by the Subcommittee, and was incorporated by in H.R. 1496 as amended.

In connection with this proposed amendment, the chairman of the subcommittee, Senator SYMINGTON, inquired about the amount of zinc in the brass and bronze that would thus be made available, and the record indicates that he was informed that about 30,000 tons would thus be included in that material. The chairman then inquired about whether this quantity of zinc would be in addition to that provided in the other bill then before the committee authorizing the release of 150,000 tons of zinc for commercial sale and 50,000 tons for direct Government use. The response of the Office of Emergency Planning representative was, in effect, that this amount could be in addition to that authorized in the other bill or if there were substantial objection to this, it could be charged against the other bill if that should be found necessary.

In its report on H.R. 1496, as amended, the Senate Committee on Armed Services, in commenting upon the amendment, stated:

Another effect of this change is that an additional quantity of approximately 30,000 tons of zinc and smaller quantities of lead and tin would be made available for disposal. The committee has not charged these additional quantities against the zinc and lead authorized to be disposed of in other parts of the bill because the stockpile objective for lead and zinc is zero and it seems desirable to dispose of additional quantities of these materials at a time when they are in great demand.

In view of this background, I believe it is apparent that it was the intent of the Senate Armed Services Committee to authorize the disposal of an additional 30,000 short tons of zinc. There was no discussion of this matter in the Senate at the time it passed H.R. 1496, as amended by the committee, and, therefore, the Record is silent. While I admit that the language of the bill itself is confusing, I do not believe that it would be proper for me to suggest to the House that the interpretation of the bill as made by my friend from Colorado, reflects the intent of the Senate.

As I understand the reservations of the gentleman from Colorado, it is not in the disposal of copper per se but, rather, in the zinc content of the bronze and brass which will be disposed of under the copper disposal action. While it would be uneconomical to melt down these items to obtain zinc as a separate material, the release of these materials will eliminate the requirement for fabricators of brass and bronze to purchase zinc for these products.

In the hearings which the subcommittee of the House Armed Services Committee held on the disposal of zinc, representatives of the General Services Administration outlined a plan authorizing the immediate disposal of 75,000 tons of zinc. Thereafter, they would consult with industry and other governmental agencies to determine when additional releases of zinc would be made. There was no time limit established for the additional releases.

I think I can give assurances to the gentleman from Colorado that if the bill is interpreted to mean "release of an additional 30,000 short tons of zinc," this will be done at a time so as not to be disruptive of the market. In fact, the bill itself provides "the time and method of the disposal shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets."

To interpret the bill as suggested by the gentleman from Colorado might confuse those responsible for the disposal action because it would be obvious that the two Houses of the Congress reflected differences of opinion as to the meaning of the statute. For these reasons, I cannot agree with the interpretation of the gentleman from Colorado.

While we appreciate the cooperation and suggestions of any and all Members of Congress and other committees of the Congress, and especially of the very knowledgeable gentleman from Colorado, the disposal of zinc, lead and copper as provided in this bill, still remains the responsibility of the Armed Services Committee after the initial disposal of each of these metals.

While it is true that the Armed Services Committee or any subcommittee thereof held no special hearings on the disposal of copper from the national stockpile, we carefully read the record prepared in the Senate on this matter, and feel confident that full consideration was given by the Members of the other body concerning this disposal action.

In times past, through a close working relationship between the Armed Services Committees of the Senate and House, the other body has accepted the hearings and the reports of the House Committee without formal hearings, and have authorized the disposal of various surplus stockpile items.

My good friend, the gentleman from Colorado [Mr. ASPINALL], has stated that "we are on the horns of a dilemma." With this, I completely agree. I think it is readily apparent that thousands of workers employed in industries utilizing these metals are on the verge of unemployment because of the severe shortages.

To delay action on this measure would undoubtedly result in needless unemployment, and could shut down important segments of major industries affecting our entire economy.

The following Members have introduced legislation to authorize the disposal of copper from our national stockpiles: the gentleman from New York [Mr. PIRNIE]; the gentleman from Indiana [Mr. HARVEY]; the gentleman from Montana [Mr. OLSEN]; the gentleman from Rhode Island [Mr. ST GERMAIN]; the gentleman from Michigan [Mr. HUTCHINSON]; the gentlemen from Connecticut [Mr. MONAGAN and Mr. IRWIN]; and the gentleman from Massachusetts [Mr. CONTE].

Therefore, I urge you to accept H.R. 1496, as amended.

Mr. MONAGAN. Mr. Speaker, I am happy to support the bill brought before the House by the gentleman from Massachusetts [Mr. PHILBIN].

I approach this bill from the point of view of the fabricators of metal who are represented in such great volume in my district. The brass industries in Connecticut are starved for copper and this need is emphasized by management and labor alike. Both have been in touch with me constantly about the need for an adequate supply of copper to keep production moving.

For this reason, the passage of this bill is welcome since it will provide from the national stockpile 100,000 short tons of copper which is badly needed to keep the wheels of industry rolling.

Although it is true that a more extended legislative route might have been taken with hearings and greater publicity, nevertheless, I think that we must view this situation as one of crisis. The lead and zinc bills had hearings, and it would have been appropriate to have had hearings on copper legislation at the same time. The other body took certain steps which have complicated the problem by the provision of permitting copper to be supplied in the form of brass and bronze. While this is not objectionable from the point of view of brass fabricators, it does raise certain questions as to the other alloys involved.

At any rate, the bill is before us today with the support, or consent, of everyone involved and I sincerely hope that it will pass and thereby give much needed material support to Connecticut industry. If it does pass, it will be due in a large part to the strong and heroic effort of the gentleman from Massachusetts, [Mr. PHILBIN], who has watched over this legislation constantly and has moved it with great dispatch in view of all the difficulties. He is certainly to be commended for his role.

GENERAL LEAVE TO EXTEND

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

 H. R. 5721

To provide for the relief of the Government

and for other purposes

Approved March 1, 1900

AN ACT

Enacted by the Senate and House of Representatives of the United States of America in Congress assembled, on March 1, 1900, for the relief of the Government and for other purposes.

89TH CONGRESS
1ST SESSION

H. R. 5721

IN THE SENATE OF THE UNITED STATES

MARCH 25, 1965

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 hereinafter referred to as the "Act", is amended by adding
5 immediately following section 316 a section 317 to read
6 as follows:

7 "ACREAGE-POUNDAGE QUOTAS

8 "SEC. 317. (a) For purposes of this section—

9 " (1) 'National marketing quota' for any kind of tobacco

1 for a marketing year means the amount of the kind of
2 tobacco produced in the United States which the Secretary
3 estimates will be utilized during the marketing year in the
4 United States and will be exported during the marketing
5 year, adjusted upward or downward in such amount as the
6 Secretary, in his discretion, determines is desirable for the
7 purpose of maintaining an adequate supply or for effecting an
8 orderly reduction of excessive supplies in order to achieve the
9 policy of the Act.

10 “(2) ‘National average yield goal’ for any kind of
11 tobacco means the yield per acre which on a national average
12 basis the Secretary determines will improve or insure the
13 usability of the tobacco and increase the net return per
14 pound to the growers. In making this determination the
15 Secretary shall give consideration to such Federal-State
16 production research data as he deems relevant.

17 “(3) ‘National acreage allotment’ means the acreage
18 determined by dividing the national marketing quota by the
19 national average yield goal.

20 “(4) ‘Farm acreage allotment’ for a tobacco farm, other
21 than a new tobacco farm, means the acreage allotment deter-
22 mined by adjusting uniformly the acreage allotment estab-
23 lished for such farm for the immediately preceding year,
24 prior to any increase or decrease in such allotment due to
25 undermarketings or overmarketings and prior to any reduc-

tion under subsection (f), so that the total of all allotments is equal to the national acreage allotment less the reserve provided in subsection (e) of this section with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for overmarketing or undermarketing and to reflect any reduction required under subsection (f) of this section, and including any adjustment for errors or inequities from the reserve.

“(5) The ‘community average yield’ means for Flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the three highest years of the five years 1959 to 1963, inclusive, except that if the yield for any of the three highest years is less than 80 per centum of the average for the three years then that year or years shall be eliminated and the average of the remaining years shall be the community average yield. Community average yields for other kinds of tobacco shall be determined in like manner, except that the five most recent crop years for which data are available shall be used instead of the period 1959 to 1963.

“(6) (A) ‘Preliminary farm yield’ for Flue-cured tobacco means a farm yield per acre determined by averaging

1 the yield per acre for the three highest years of the five
2 consecutive crop years beginning with the 1959 crop year
3 except that if that average exceeds 120 per centum of the
4 community average yield the preliminary farm yield shall
5 be the sum of 75 per centum of the average of the three
6 highest years and 25 per centum of the national average
7 yield goal but not less than 120 per centum of the com-
8 munity average yield, and if the average of the three highest
9 years is less than 80 per centum of the community average
10 yield the preliminary farm yield shall be 80 per centum of
11 the community average yield. In counties where less than
12 five hundred acres of Flue-cured tobacco were allotted for
13 1964, the county may be considered as one community. If
14 Flue-cured tobacco was not produced on the farm for at
15 least three years of the five-year period the average of the
16 yields for the years in which tobacco was produced shall be
17 used instead of the three-year average. If no Flue-cured
18 tobacco was produced on the farm in the five-year period
19 but the farm is eligible for an allotment because Flue-cured
20 tobacco was considered to have been produced under appli-
21 cable provisions of law, a preliminary farm yield for the
22 farm shall be determined under regulations of the Secretary
23 taking into account preliminary farm yields of similar farms
24 in the community.

25 “(B) ‘Preliminary farm yield’ for kinds of tobacco,

1 other than Flue-cured, means a farm yield per acre deter-
2 mined in accordance with subparagraph (A) of this para-
3 graph (6) except that in lieu of the five consecutive crop
4 years beginning with 1959 the five most recent crop years
5 for which data are available for the kind of tobacco shall be
6 used. In counties where less than five hundred acres of the
7 kind of tobacco for which the determination is being made
8 were allotted in the last year of the five-year period the
9 county may be considered as one community. If tobacco of
10 the kind for which the determination is being made was not
11 produced on the farm for at least three years of the five-year
12 period, the average of the yields for the years in which the
13 kind of tobacco was produced shall be used instead of the
14 three-year average. If no tobacco of the kind for which the
15 determination is being made was produced on the farm in the
16 five-year period but the farm is eligible for an allotment be-
17 cause such tobacco was considered to have been produced
18 under applicable provisions of law, a preliminary farm yield
19 for the farm shall be determined under regulations of the
20 Secretary taking into account preliminary farm yields of
21 similar farms in the community.

22 “(7) ‘Farm yield’ means the yield of tobacco per acre
23 for a farm determined by multiplying the preliminary farm
24 yield by a national yield factor which shall be obtained by
25 dividing the national average yield goal by a weighted na-

1 tional average yield computed by multiplying the preliminary
2 farm yield for each farm by the acreage allotment deter-
3 mined pursuant to paragraph (4) for the farm prior to ad-
4 justments for overmarketing, undermarketing, or reductions
5 required under subsection (f) and dividing the sum of the
6 products by the national acreage allotment.

7 “(8) ‘Farm marketing quota’ for any farm for any mar-
8 keting year shall be the number of pounds of tobacco obtained
9 by multiplying the farm yield by the acreage allotment prior
10 to any adjustment for undermarketing or overmarketing, in-
11 creased for undermarketing or decreased for overmarketing
12 by the number of pounds by which marketings of tobacco
13 from the farm during the immediately preceding marketing
14 year, if marketing quotas were in effect under the program
15 established by this section, is less than or exceeds the farm
16 marketing quota for such year: *Provided*, That the farm
17 marketing quota for any marketing year shall not be in-
18 creased for undermarketing by an amount in excess of
19 the number of pounds determined by multiplying the
20 acreage allotment for the farm for the immediately pre-
21 ceding year prior to any increase or decrease for under-
22 marketing or overmarketing by the farm yield. If on
23 account of excess marketings in the preceding market-
24 ing year the farm marketing quota for the marketing year
25 is reduced to zero pounds without reflecting the entire

1 reduction required, the additional reduction required shall
2 be made for the subsequent marketing year or years. The
3 farm marketing quota will be increased or decreased for the
4 second succeeding marketing year in the case of Maryland
5 tobacco, and for any other kind of tobacco for which the Sec-
6 retary determines it is impracticable because of the lack of
7 adequate marketing data, to make the increases or decreases
8 applicable to the immediately succeeding marketing year.

9 “(b) Within thirty days after the enactment of this sec-
10 tion the Secretary pursuant to the provisions of subsection
11 (a) of this section shall determine and announce the amount
12 of the national marketing quota for Flue-cured tobacco for
13 the marketing year beginning July 1, 1965, and the national
14 acreage allotment and national average yield goal for the
15 1965 crop of Flue-cured tobacco, and within thirty days
16 after the announcement of the amount of such national mar-
17 keting quota shall conduct a special referendum of the
18 farmers engaged in the production of Flue-cured tobacco of
19 the 1964 crop to determine whether they favor or oppose
20 the establishment of marketing quotas on an acreage-pound-
21 age basis as provided in this section for the marketing years
22 beginning July 1, 1965, July 1, 1966, and July 1, 1967,
23 in lieu of quotas on an acreage basis in effect for those mar-
24 keting years. If the Secretary determines that more than
25 $66\frac{2}{3}$ per centum of the farmers voting in the special refer-

1 endum approve marketing quotas on an acreage-poundage
2 basis, marketing quotas on an acreage-poundage basis as
3 provided in this section shall be in effect for those marketing
4 years and the marketing quotas on an acreage basis shall
5 cease to be in effect at the beginning of such three-year
6 period.

7 “(c) Whenever, during the first or second marketing
8 year of the three-year period for which marketing quotas on
9 an acreage basis are in effect for any kind of tobacco, in-
10 cluding Flue-cured tobacco, the Secretary, in his discretion,
11 determines with respect to that kind of tobacco that acreage-
12 poundage quotas under this section would result in a more
13 effective marketing quota program for that kind of tobacco
14 he shall at the time the next announcement of the amount
15 of the national marketing quota under section 312 (b) of this
16 Act determine and announce the amount of the national
17 quota for that kind of tobacco under this section of the Act
18 and at the same time announce the national acreage allot-
19 ment and national average yield goal and within thirty days
20 thereafter conduct a special referendum of farmers engaged in
21 the production of the kind of tobacco of the most recent crop
22 to determine whether they favor the establishment of mar-
23 keting quotas on an acreage-poundage basis as provided in
24 this section for the next three marketing years: *Provided,*
25 *however,* That the Secretary shall not make any such deter-

1 mination with respect to any kind of tobacco except Flue-
2 cured tobacco unless prior thereto he shall conduct public
3 hearings in the areas where such tobacco is produced for
4 the purpose of ascertaining and taking into consideration
5 the attitudes of producers and other interested persons
6 with respect to acreage-poundage quotas. If the Sec-
7 retary determines that more than $66\frac{2}{3}$ per centum of the
8 farmers voting in the special referendum approve marketing
9 quotas on an acreage-poundage basis as provided in this sec-
10 tion, quotas on that basis shall be in effect for the next three
11 marketing years and the marketing quotas on an acreage
12 basis shall cease to be in effect at the beginning of such three-
13 year period.

14 “(d) If marketing quotas have been made effective for
15 a kind of tobacco on an acreage-poundage basis pursuant to
16 subsections (b) or (c) the Secretary shall, not later than
17 December 1 of any marketing year with respect to Flue-
18 cured tobacco, and February 1 with respect to other kinds
19 of tobacco, proclaim a national marketing quota for that kind
20 of tobacco for the next three succeeding marketing years if
21 the marketing year is the last year of three consecutive years
22 for which marketing quotas previously proclaimed will be in
23 effect. The Secretary, in his discretion, may proclaim the
24 quota on an acreage-poundage basis as provided in this sec-

1 tion or on an acreage allotment basis, whichever he deter-
2 mines would result in a more effective marketing quota for
3 that kind of tobacco, and shall conduct a referendum in ac-
4 cordance with the provisions of section 312 (c) of this Act.
5 If the Secretary determines that more than one-third of the
6 farmers voting oppose the national marketing quotas the
7 results shall be proclaimed and the national marketing quota
8 so proclaimed shall not be in effect. If the Secretary pro-
9 claims the quotas on an acreage-poundage basis he shall de-
10 termine and proclaim at the same time the national market-
11 ing quota, national acreage allotment, and national average
12 yield goal for the first year of the three years for which
13 quotas are proclaimed. Notice of the farm marketing quota
14 which will be in effect for his farm for the first marketing
15 year covered by the referendum insofar as practicable shall
16 be mailed to the farm operator prior to the holding of any
17 special referendum under subsections (b) or (c) or a refer-
18 endum on acreage-poundage quotas under this subsection.
19 The Secretary shall determine and announce the national
20 marketing quota, national acreage allotment and national
21 average yield goal for the second and third marketing years
22 of any three-year period for which national marketing quotas
23 on an acreage-poundage basis are in effect on or before the
24 December 1 with respect to Flue-cured tobacco and the Feb-
25 ruary 1 with respect to other kinds of tobacco immediately

1 preceding the beginning of the marketing year to which they
2 apply. Whenever a national marketing quota, national acre-
3 age allotment, and national average yield goal are deter-
4 mined and announced, the Secretary shall provide for the
5 determination of farm acreage allotments and farm marketing
6 quotas under the provisions of this section for the crop and
7 marketing year covered by the determinations.

8 “(e) No farm acreage allotment or farm yield shall
9 be established for a farm on which no tobacco was produced
10 or considered produced under applicable provisions of law
11 for the immediately preceding five years. For each market-
12 ing year for which acreage-poundage quotas are in effect
13 under this section the Secretary in his discretion may estab-
14 lish a reserve from the national acreage allotment in an
15 amount equivalent to not more than 1 per centum of the
16 national acreage allotment to be available for making cor-
17 rections of errors in farm acreage allotments, adjusting
18 inequities, and for establishing acreage allotments for new
19 farms, which are farms on which tobacco was not produced
20 or considered produced during the immediately preceding
21 five years. The part of the reserve held for apportionment
22 to new farms shall be allotted on the basis of land, labor,
23 and equipment available for the production of tobacco, crop
24 rotation practices, soil and other physical factors affecting
25 the production of tobacco and the past tobacco-producing

1 experience of the farm operator. The farm yield for any
2 farm for which a new farm acreage allotment is established
3 shall be determined on the basis of available productivity
4 data for the land involved and farm yields for similar farms.

5 “(f) Only the provisions of the last two sentences of
6 subsection (g) of section 313 of this Act shall apply with
7 respect to acreage-poundage programs established under this
8 section. The acreage reductions required under the last two
9 sentences shall be in addition to any other adjustments made
10 pursuant to this section, and when acreage reductions are
11 made the farm marketing quota shall be reduced to reflect
12 such reductions. The provisions of the next to the last
13 sentence of such subsection pertaining to the filing of any false
14 report with respect to the acreage of tobacco grown on the
15 farm shall also be applicable to the filing of any false report
16 with respect to the production or marketings of tobacco grown
17 on a farm for which an acreage allotment and a farm yield
18 are established as provided in this section. In establishing
19 acreage allotments and farm yields for other farms owned
20 by the owner displaced by acquisition of his land by any
21 agency, as provided in section 378 of this Act, increases or
22 decreases in such acreage allotments and farm yields as
23 provided in this section shall be made on account of market-
24 ings below or in excess of the farm marketing quota for the
25 farm acquired by the agency. Acreage allotments and farm

1 marketing quotas determined under this section may be leased
2 under the terms and conditions contained in section 316 of
3 this Act, except that (1) the adjustment provided for in the
4 last sentence of subsection (c) of said section shall be based
5 on farm yields rather than normal yields, and (2) any credit
6 for undermarketing or charge for overmarketing shall be
7 attributed to the farm to which transferred.

8 “(g) When marketing quotas under this section are in
9 effect, provisions with respect to penalties for the marketing
10 of excess tobacco and the other provisions contained in sec-
11 tion 314 of the Act shall apply, except that:

12 “(1) No penalty on excess tobacco shall be due or col-
13 lected until 110 per centum of the farm marketing quota
14 for a farm has been marketed, but with respect to each pound
15 of tobacco marketed in excess of such percentage the full
16 penalty rate shall be due, payable, and collected at the time
17 of marketing on each pound of tobacco marketed, and any
18 tobacco marketed in excess of 100 per centum of the farm
19 marketing quota will require a reduction in subsequent farm
20 marketing quotas in accordance with paragraph (a) (8) :
21 *Provided, however,* If the Secretary, in his discretion, deter-
22 mines it is desirable to encourage the marketing of grade N₂
23 tobacco, or any grade of tobacco not eligible for price sup-
24 port, in order to meet the normal demands of export and
25 domestic markets, he may authorize the marketing of such

1 tobacco in a marketing year without the payment of penalty
2 or deduction from subsequent quotas to the extent of 5 per
3 centum of the farm marketing quota for the farm on which
4 the tobacco was produced.

5 “(2) When marketing quotas established under this
6 section are in effect the provisions with respect to penalties
7 contained in the third sentence of subsection 314(a) shall
8 be revised to read: ‘If any producer falsely identifies or fails
9 to account for the disposition of any tobacco, the Secretary,
10 in lieu of assessing and collecting penalties based on actual
11 marketings of excess tobacco, may elect to assess a penalty
12 computed by multiplying the full penalty rate by an amount
13 of tobacco equal to 25 per centum of the farm marketing
14 quota plus the farm yield of the number of acres harvested
15 in excess of the farm acreage allotment and the penalty in
16 respect thereof shall be paid and remitted by the producer.’

17 “(3) For the first year a marketing quota program estab-
18 lished under the provisions of this section is in effect, the
19 words ‘normal production’ where they appear in the fourth
20 sentence of subsection (a) of such section shall be read
21 ‘farm yield’ and the said fourth sentence shall otherwise be
22 applicable. For the second and succeeding years for which
23 a program established under the provisions of this section is
24 in effect, the provisions of subsection (a) (8) shall apply
25 when penalties, if any, on carryover tobacco are computed,

1 and the provisions contained in the fourth sentence of sub-
2 section 314 (a) shall not be applicable.”

3 SEC. 2. Subsection (j) of section 313 of the Agricultural
4 Adjustment Act of 1938, as added by Public Law 361, 84th
5 Congress, approved August 11, 1955, is amended by insert-
6 ing immediately following the language “(g) hereof”
7 wherever it appears in said subsection the language “or
8 section 317”.

9 SEC. 3. Section 106 of the Agricultural Act of 1949,
10 as amended, is amended by adding at the end thereof the fol-
11 lowing:

12 “(c) If acreage-poundage farm marketing quotas are in
13 effect under section 317 of the Agricultural Adjustment Act
14 of 1938, as amended, (1) price support shall not be made
15 available on tobacco marketed in excess of 110 per centum
16 of the marketing quota for the farm on which such tobacco
17 was produced, and (2) for the purpose of price-support
18 eligibility, tobacco carried over from one marketing year to
19 another to avoid marketings in excess of the farm market-
20 ing quota shall, when marketed, be considered tobacco of
21 the then current crop.”

Passed the House of Representatives March 23, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

MARCH 25, 1965

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business Postage and Fees Paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 2, 1965

For actions of April 1, 1965

89th-1st; No. 59

CONTENTS

Accounting.....51	Food and drugs.....61	Publications.....49
Adjournment.....32,45	Food for peace.....12	Recreation.....21,41
Administrative	Food marketing.....44	Regional
procedure.....23	Foreign trade.....28	development.....5,53,54
Air pollution.....47,55	Forest Service.....51	Research.....7,26,42
Appalachia.....10	GAO reports.....38	Retirement.....50
Appropriations.....40	Health.....42,46,47	Rice.....16
Area redevelopment...33,35	Housing.....22,60,66	Roads.....68
Civil defense.....48	Information.....49	Saline water.....7
Conservation.....6,13,29	International Monetary	SCS user charges.....13
Conservation reserve....6	Fund.....37	Stockpiling.....20
Consumers.....31	Labor.....39	Sugar.....14
Contracts.....39	Lands.....21,25	Tariff.....58
Disaster relief.....67	Legislative program....44	Taxes.....52
Easter recess.....44	Loans.....56	Tobacco.....1,65
Education.....3,36	Manpower.....33,35	Transportation.....63,68
Electrification.....27,57	Marketing.....15,44	Truth-in-packaging.....15
Employment.....35	Meat inspection.....9	Urban development.....22
Farm equipment.....58	Nomination.....10	User charges.....13
Farm labor.....32,33,34	Patents.....59	Veterinary medicine....36
Farm income.....11	Pay.....19	Water pollution.....24,55
Farm program.....17	Personnel.....19,43,50	Water resources.....2,41
Farm wages.....18	Potatoes.....8	Wildlife.....41
Fiber imports.....62	Poverty.....35,64	Wool imports.....62
Fiscal policy.....30	Public Law 480.....4	
Fish farming.....56	Public works.....5,53,54	

HIGHLIGHTS: Senate committee voted to report acreage-poundage tobacco bill. Sen. Jordan, Ida., inserted item on problems in potato industry. Sen. Jordan, Ida., inserted item on problems in potato industry. Sen. McGovern expressed concern over farm situation in S. Dak. Sens. Yarborough and Robertson expressed opposition to proposed SCS user charge. Sen. Pearson commended results of industry meetings on sugar legislation. House committee reported Treasury-Post Office-Executive Office appropriation bill. Rep. Powell introduced and discussed bill to expand poverty program. Sen. Douglas introduced and discussed administration's proposed Public Works and Economic Development Act.

SENATE

1. TOBACCO. The Agriculture and Forestry Committee voted to report (but did not actually report) with amendments H. R. 5721, to provide for acreage-poundage marketing quotas for tobacco (p. D253). The "Daily Digest" states that Sen. Mansfield announced that the bill may be considered Mon., Apr. 5 (p. D252). Unanimous consent was granted for Sen. Jordan, N. C., to file individual and minority views on the bill (p. 6307). Sen. Talmadge submitted two amendments intended to be proposed to the bill (p. 6307).
2. WATER RESOURCES. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendments S. 1229, to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects. p. D254
3. EDUCATION. The Subcommittee on Education of the Labor and Public Welfare Committee approved for full committee consideration without amendment H. R. 2362, to strengthen and improve the quality of elementary and secondary school facilities. p. D254
4. PUBLIC LAW 480. Received the President's annual report on activities carried on under Public Law 480 (H. Doc. 130). pp. 6251-2
5. REGIONAL DEVELOPMENT. Received from the President a proposed bill "to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas"; to Public Works Committee. p. 6253
Sen. Kennedy, Mass., commended the proposed bill, but expressed concern "in the moderate amount of money authorized," and stated that some sections "will need to be strengthened and clarified." pp. 6333-4
6. CONSERVATION RESERVE. Both Houses received from this Department the annual report on the conservation reserve program. pp. 6253, 6528
7. SALINE WATER. Received from the President a proposed bill "to expand, extend, and accelerate the saline water conversion program conducted by the Secretary of the Interior"; to Interior and Insular Affairs Committee. p. 6253
8. POTATOES. Sen. Jordan, Ida., spoke in support of legislation to require labeling of potatoes by State of origin and inserted an article on problems in the Idaho potato industry. pp. 6320-22
9. MEAT INSPECTION. Sen. Jordan, Ida., stated that consumers, rather than meat-packers, should pay the costs of meat inspection and inserted an editorial in support of his position. p. 6322
10. NOMINATION. Confirmed the nomination of John L. Sweeney to be Federal Cochairman of the Appalachian Regional Commission. p. 6324
11. FARM INCOME. Sen. McGovern expressed concern over the level of farm income and inserted an article on "the extreme seriousness of the farm situation in South Dakota." pp. 6347-9

89TH CONGRESS
1ST SESSION

H. R. 5721

IN THE SENATE OF THE UNITED STATES

APRIL 1, 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. TALMADGE to H.R. 5721, an Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, viz:

- 1 Beginning on page 7 with line 9, strike out all through
- 2 line 6 on page 8.
- 3 Redesignate subsection designations and internal ref-
- 4 erences to subsections accordingly.

Amdt. No. 59

Amdt. No. 59

89TH CONGRESS
1ST SESSION

H. R. 5721

AMENDMENTS

Intended to be proposed by Mr. TAMMADGE to H.R. 5721, an Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

APRIL 1, 1965

Ordered to lie on the table and to be printed

89TH CONGRESS
1ST SESSION

H. R. 5721

IN THE SENATE OF THE UNITED STATES

APRIL 1, 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. TALMADGE to H.R. 5721, an Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price-support provisions of the Agricultural Act of 1949, as amended, and for other purposes, viz:

1 Strike all after the enacting clause and insert in lieu
2 thereof the following:

3 “That the Agricultural Adjustment Act of 1938, as amended,
4 is amended by inserting after section 313 the following:

Amdt. No. 60

1 “APPORTIONMENT OF NATIONAL MARKETING QUOTA FOR
2 FLUE-CURED TOBACCO WHEN MARKETING QUOTAS
3 HAVE BEEN EFFECTIVE FOR THE PRECEDING MARKET-
4 ING YEAR

5 “‘SEC. 313A. (a) Notwithstanding the provisions of
6 section 313 (except subsections (d) and (i)), if marketing
7 quotas were effective for Flue-cured tobacco for the pre-
8 ceding marketing year, the national marketing quota estab-
9 lished pursuant to the provisions of section 312 for any
10 marketing year for Flue-cured tobacco, less the amount to
11 be allotted under subsection (b), shall be apportioned by
12 the Secretary among farms on the basis of their farm bases.
13 The base for each farm shall be computed by subtracting
14 one-fifth of the amount of tobacco produced on such farm
15 and sold, pledged, or mortgaged to the Commodity Credit
16 Corporation under the price-support program for the most
17 recent marketing year for which such information is avail-
18 able as to all farms from—

19 “ ‘(i) the product of the farm’s acreage allot-
20 ment for such preceding marketing year multiplied
21 by the normal yield for the farm, if acreage allotments
22 were established for such preceding marketing year, or
23 “ ‘(ii) the farm’s marketing quota for such preced-
24 ing marketing year, if acreage allotments were not
25 established for such preceding marketing year.

1 “(b) The Secretary shall provide, through local com-
2 mittees, for the allotment of not in excess of 5 per centum
3 of the national marketing quota (1) to farms not receiving
4 marketing quotas under subsection (a), and (2) to increase
5 allotments to small farms on the basis of the following:
6 Land, labor, and equipment available for the production of
7 tobacco; crop-rotation practices; and the soil and other
8 physical factors affecting the production of tobacco: *Pro-*
9 *vided*, That farm marketing quotas established pursuant to
10 clause (1) of this subsection shall not exceed 75 per centum
11 of the farm marketing quotas established pursuant to sub-
12 section (a) of this section for farms which are similar with
13 respect to the following: Land, labor, and equipment avail-
14 able for the production of tobacco, crop-rotation practices,
15 and the soil and other physical factors affecting the production
16 of tobacco.

17 “(c) The farm marketing quota established under the
18 foregoing provisions of this section for any farm for any
19 marketing year shall be increased for undermarketing or
20 decreased for overmarketing by the number of pounds by
21 which marketings of tobacco from the farm during the imme-
22 diately preceding marketing year is less than or exceeds the
23 farm marketing quota for such preceding year: *Provided*,
24 That the farm marketing quota for any marketing year shall
25 not be increased for undermarketing by an amount in excess

1 of the farm marketing quota for such year established with-
2 out regard to the provisions of this subsection. If on account
3 of excess marketings in the preceding marketing year the
4 farm marketing quota for any marketing year is reduced to
5 zero pounds without reflecting the entire reduction required,
6 the additional reduction required shall be made for the sub-
7 sequent marketing year or years. The farm marketing quota
8 shall be increased or decreased for the second succeeding
9 marketing year in the case of Maryland tobacco, and for any
10 other kind of tobacco for which the Secretary determines it
11 is impracticable because of the lack of adequate marketing
12 data, to make the increases or decreases applicable to the
13 immediately succeeding marketing year. Increases or de-
14 creases in farm marketing quotas or farm acreage allotments
15 resulting from the application of this subsection shall not be
16 taken into account in computing farm bases for succeeding
17 marketing years.

18 “ ‘(d) The Secretary may, on the basis of the normal
19 yield for the farm convert each farm marketing quota deter-
20 mined under this section into a farm acreage allotment. In
21 such case the actual production of such acreage allotment (in
22 lieu of the farm marketing quota determined under subsection
23 (a), (b), or (c)) shall be the farm marketing quota.

24 “ ‘(e) If any amount of tobacco shall be marketed as
25 having been produced on any farm which in fact was pro-

1 duced on a different farm, the acreage allotments next estab-
2 lished (or marketing quotas if acreage allotments are not
3 established) for both such farms shall be reduced by that per-
4 centage which such amount was of the respective farm mar-
5 keting quota, except that such reduction for any such farm
6 shall not be made if the Secretary through the local com-
7 mittees finds that no person connected with such farm
8 caused, aided, or acquiesced in such marketing; and if proof
9 of the disposition of any amount of tobacco is not furnished
10 as required by the Secretary or if any producer on the farm
11 files, or aids or acquiesces in the filing of, any false report
12 with respect to the acreage or production of tobacco grown
13 on the farm required by regulations issued pursuant to this
14 Act, the acreage allotment next established (or marketing
15 quota if acreage allotments are not established) for the farm
16 on which such tobacco is produced shall be reduced by a per-
17 centage similarly computed. If in any calendar year for
18 which acreage allotments are established more than one crop
19 of tobacco is grown from (1) the same tobacco plants or
20 (2) different tobacco plants, and is harvested for marketing
21 from the same acreage on a farm, the acreage allotment next
22 established (or marketing quota if acreage allotments are not
23 established) for such farm shall be reduced by an amount
24 equivalent to the acreage from which more than one crop of

1 tobacco has been so grown and harvested (or equivalent to
 2 the amount by which the production of such acreage ex-
 3 ceeded its normal production).’”

4 SEC. 2. The heading of section 313 of the Agricultural
 5 Adjustment Act of 1938, as amended, is amended to read as
 6 follows:

7 “APPORTIONMENT OF NATIONAL MARKETING QUOTA
 8 WHEN SECTION 313A IS NOT APPLICABLE”

9 SEC. 3. This Act shall be effective beginning with the
 10 1966 crop.

Amdt. No. 60

89TH CONGRESS
1ST SESSION

H. R. 5721

AMENDMENTS

Intended to be proposed by Mr. TARMADGE to H.R. 5721, an Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price-support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

APRIL 1, 1965

Ordered to lie on the table and to be printed

NATIONAL STUDENT COUNCIL WEEK

Mr. CASE of New Jersey. Mr. President, on behalf of myself and Senators ALLOTT and MORSE, I introduce, for appropriate reference, a joint resolution requesting that the President of the United States proclaim the last week of October of every year as National Student Council Week.

The student councils of our secondary schools now represent a national institution and merit nationwide recognition by all our citizens. Many of our Nation's future leaders are to be found in these student organizations.

The student council is an organization of students, elected by students, to serve them as their official representatives in matters of concern to the entire school. Student council self-government is a valuable training ground for democracy. It provides a medium through which student opinion may be heard, and a forum for student consideration of common school problems. The members of these councils and the students who are represented by them are learning at an early stage of their lives how to run the affairs of a community. It is, in effect, a proving ground providing a living lesson in the duties and responsibilities of citizenship.

As Gerald M. Van Pool, director of student activities, National Association of Secondary School Principals, has stated:

One of the best ways to learn to do anything is to do it. Thus, by providing an opportunity for high school students to do the things which a good citizen does, the student council teaches good citizenship. It encourages students to become interested in civic matters and to take significant steps to alleviate a situation or to suggest ways and means of improvement. The main purpose of the student council is to teach good citizenship, and thus the student council becomes, in reality, a laboratory of citizenship, an organization that teaches our young people to be good citizens by doing the things which a good citizen does.

At a time when in the Congress and in the country we are vitally concerned with improving the education of our youth, the celebration of a National Student Council Week is one way we can show our confidence in the ability and sense of responsibility of American youth.

My own State of New Jersey was the first to proclaim a statewide Student Council Week and has done so annually for 13 years. Since then many other States have joined our ranks. In 1963, the New Jersey Association of High School Councils was given the responsibility at the annual national association convention of encouraging a National Student Council Week. I am happy to support this effort.

With this in mind, I ask unanimous consent that the entire text of our proposed resolution be inserted in the RECORD at the conclusion of my remarks, and further I ask unanimous consent that it lie on the table for 7 days so that others may join in cosponsoring it.

The PRESIDING OFFICER. The

joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD and will lie on the desk, as requested by the Senator from New Jersey.

The joint resolution (S.J. Res. 68) requesting the President to proclaim the last week in October of every year as National Student Council Week, introduced by Mr. CASE (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S.J. RES. 68

Whereas the several states have had statewide student council weeks; and

Whereas the National Association of Student Councils in convention at Ann Arbor, Michigan, in June of 1963 approved the student council week project; and

Whereas the student council more than coordinates student activities and contributes to orderly administration of our secondary schools, but also fosters a sense of citizenship and provides a training ground for youngsters interested in participating in democratic government; and

Whereas the values acquired within the student council have great significance when carried over into adult life; and

Whereas the need for efficient and responsible government is even more urgent in these days of strife, it is especially fitting that student councils receive recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the last week in October of every year is designated as National Student Council Week, and the President of the United States is authorized and directed to issue annually a proclamation setting aside that week as a public occasion and inviting the people of the United States to observe that week with appropriate ceremonies.

AUTHORIZATION FOR SECRETARY OF SENATE TO RECEIVE MES- SAGES DURING ADJOURNMENT, ETC.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate following today's session, until April 5, 1965, the Secretary of the Senate be authorized to receive messages from the President and the House of Representatives; that committees be authorized to file reports; and that the Vice President or President pro tempore be authorized to sign duly enrolled bills or resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE OF REFERENCE

On motion of Mr. SIMPSON, and by unanimous consent, the Committee on Government Operations was discharged from the further consideration of the bill (S. 1387) to authorize the payment to local governments of sums in lieu of taxes and other revenues lost by such governments by reason of certain actions on the part of the United States in connection with recreation, and it was referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, RELAT- ING TO ACREAGE-POUNDRAGE MARKETING QUOTAS—MINORITY AND INDIVIDUAL VIEWS

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent to file individual and minority views on H.R. 5721, a bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, when it is reported.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, RE- LATING TO ACREAGE-POUNDRAGE MARKETING QUOTAS FOR TO- BACCO—AMENDMENTS (AMEND- MENTS NOS. 59 AND 60)

Mr. TALMADGE submitted two amendments (Nos. 59 and 60), intended to be proposed by him, to the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

FURTHER AMENDMENT OF FOR- EIGN ASSISTANCE ACT OF 1961— AMENDMENT (AMENDMENT NO. 61)

Mr. MORSE submitted an amendment, intended to be proposed by him, to the bill (S. 1524) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

PROTECTION OF PATENT RIGHTS— AMENDMENTS (AMENDMENT NO. 62)

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to the bill (S. 927) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes, which were referred to the Committee on Aeronautical and Space Sciences, and ordered to be printed.

STRENGTHENING OF EDUCATIONAL RESOURCES OF COLLEGES AND UNIVERSITIES — AMENDMENT (AMENDMENT NO. 63)

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to the bill (S. 600) to strengthen the educational resources of our colleges and universities and to provide financial

assistance for student in postsecondary and higher education, which was referred to the Committee on Labor and Public Welfare, and ordered to be printed.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 327) to provide assistance to the States of Oregon, Washington, California, and Idaho for the reconstruction of areas damaged by recent floods and high waters, the name of the Senator from California [Mr. MURPHY] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that at the next printing of S. 561, the Intergovernmental Cooperation Act of 1965, Senator LAUSCHE be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, I ask unanimous consent that at the next printing of S. 812, a bill to provide for the creation of a regional development commission, the name of the senior Senator from New York [Mr. JAVITS] be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that at its next printing the name of the Senator from Maryland [Mr. BREWSTER] be added as a cosponsor of S. 1200, a bill to establish a Court of Veterans' Appeals.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, when S. 1506 is again printed, I ask unanimous consent that the names of the Senator from Utah [Mr. MOSS] and the Senator from Tennessee [Mr. GORE] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at its next printing, the names of the distinguished Senator from New Jersey [Mr. WILLIAMS] and the distinguished Senator from New York [Mr. JAVITS] be added as cosponsors of Senate Joint Resolution 65, a joint resolution to establish a Commission on Art and Antiquities of the Capitol.

I also ask, Mr. President, that the name of the junior Senator from Rhode Island [Mr. PELL], be included. His name was inadvertently omitted on the first printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills and joint resolution:

Authority of March 22, 1965:
S. 1591. A bill to amend the National Firearms Act to impose special (occupational)

taxes with respect to engaging in the business of importing, manufacturing, and dealing in destructive weapons such as bombs, grenades, rockets, missiles, bazookas, and anti-tank guns, to impose taxes with respect to the making and to the transfer of such weapons, and to increase the rates of special (occupational) tax, transfer tax, and making tax imposed by the act, and for other purposes: Mr. HARTKE, Mr. KENNEDY of New York, and Mr. TYDINGS.

S. 1592. A bill to amend the Federal Firearms Act: Mr. HARTKE, Mr. KENNEDY of New York, and Mr. TYDINGS.

S.J. Res. 65. Joint resolution establishing the Commission on Art and Antiquities of the Capitol, and for other purposes: Mr. BAYH, Mr. BENNETT, Mr. BREWSTER, Mr. BURDICK, Mr. COOPER, Mr. FONG, Mr. GRUENING, Mr. HARTKE, Mr. HAYDEN, Mr. HILL, Mr. METCALF, Mr. MILLER, Mr. MONDALE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SALTONSTALL, Mr. SCOTT, Mr. SIMPSON, and Mr. YARBOROUGH.

Authority of March 25, 1965:

S. 1599. A bill to establish a Department of Housing and Urban Development, and for other purposes: Mr. BREWSTER, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. GRUENING, Mr. HART, Mr. JAVITS, Mr. KENNEDY of New York, Mr. LONG of Missouri, Mr. MUSKIE, Mr. PELL, Mr. TYDINGS, and Mr. WILLIAMS of New Jersey.

ADDITIONAL COSPONSORS OF AMENDMENT

Under authority of the order of the Senate of March 18, 1965, the names of Mr. BREWSTER, Mr. GRUENING, Mr. HARTKE, Mr. MAGNUSON, Mr. McGEE, Mr. MORSE, Mr. RANDOLPH, and Mr. YOUNG of Ohio were added as additional cosponsors of Amendment No. 56, intended to be proposed by Mr. BARTLETT, to the bill (S. 500) to amend the Immigration and Nationality Act, and for other purposes, submitted by Mr. BARTLETT (for himself and Mr. INOUYE) on March 18, 1965.

AUTHORIZATION THAT S. 1628 LIE ON DESK AN ADDITIONAL WEEK

Mr. DOMINICK. Mr. President, recently I introduced S. 1628, dealing with a change in custom relations. I asked permission that it lie on the desk until today, I believe. I ask unanimous consent, since we were not able to contact Senators who were interested in this bill as we did last year, that it may lie on the desk for 1 additional week.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF HEARINGS ON S. 1336, TO UPDATE AND PERFECT ADMINISTRATIVE PROCEDURE ACT

Mr. LONG of Missouri. Mr. President, on May 12, 13, and 14, 1965, the Subcommittee on Administrative Practice and Procedure will hold hearings on S. 1336, a bill to update and perfect the Administrative Procedure Act. This bill was introduced by our distinguished minority leader—for himself and for me—on March 4, 1965.

S. 1336 might be described as an omnibus bill, because it contains in section 3 the substance of the freedom of information bill—S. 1666 of the 88th Congress—and in section 6(b) the substance of the lawyers practice bill—S. 1466 of the 88th Congress. Both of these bills passed

the Senate unanimously in the last session of Congress. The freedom of information bill has been reintroduced as S. 1160 of this Congress. The lawyers practice bill will be reintroduced very soon.

During the May hearings, we would hope to hear from all witnesses who are desirous of testifying on any aspect of S. 1336, including freedom of information or lawyers practice. Such persons who desire to testify should contact Mr. Bernard Fensterwald, Counsel to the Subcommittee on Administrative Practice and Procedure, room 3214, New Senate Office Building, Washington, D.C., telephone 225-5617.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Lawrence Gubow, of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years (now serving under an appointment which expired March 16, 1965).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, April 8, 1965, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS ON EXPANSION AND ACCELERATION OF SALINE WATER PROGRAM

Mr. JACKSON. Mr. President, on March 29 President Johnson transmitted to Congress a letter and a draft of proposed legislation relating to the expansion and acceleration of the saline water conversion program.

Each Member of this body who had the privilege to serve with the President when he was our distinguished majority leader is well aware of his deep interest in our Nation's efforts to successfully and economically convert salt and brackish water into fresh water supplies. As President of the United States he has renewed his support for this tremendously important program. Under existing authority he has recommended to Congress \$29 million for this program for the coming fiscal year, more than double the amount appropriated in 1965. The present authority under which the Department of the Interior operates its saline water conversion program was enacted in 1961, the Anderson-Aspinall Act. That was a \$75 million authorization which will expire in 1967. The President's legislative proposal would increase by \$200 million the present authority of the Department to carry out its efforts in desalting technology. It also would extend the time through 1972.

No resource is more precious to our people than an adequate supply of fresh,

and Development, and a Governor of the Inter-American Development Bank; William B. Dale, of Maryland, to be U.S. Executive Director of the International Monetary Fund; Sherman J. Maisel, of California, to be member of Board of Governors, Federal Reserve System; two nominations to U.N. groups; 83 postmasters; numerous Navy and Air Force; and one Coast and Geodetic Survey nomination.

Part 2

Program for Monday: Senate met at noon and adjourned at 5:02 p.m. until 11 a.m. Monday, April 5, when it intends to consider S. 800, military procurement bill, which is expected to be reported today, to be followed by consideration of other matters listed above under "Legislative Program."

Part 2

Committee Meetings

(Committees not listed did not meet)

TOBACCO

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported with amendments H.R. 5721, to amend the Agricultural Adjustment Act to provide for acreage-poundage marketing quotas for tobacco.

SPRUCE KNOB-SENECA ROCKS RECREATION AREA

Committee on Agriculture and Forestry: Subcommittee on Soil Conservation and Forestry held hearings on S. 7, to establish Spruce Knob-Seneca Rocks National Recreation Area, West Virginia, with testimony from Senator Byrd of West Virginia; M. M. Nelson, Deputy Chief, Forest Service, Department of Agriculture; Robert Bowers, West Virginia Department of Commerce, Charleston; William McCoy, Jr., and George I. Sponaugle, both of Franklin, W. Va.; Robert T. Dennis, assistant conservation director, Izaak Walton League of America; and Creed Sions, West Virginia Izaak Walton League.

NOMINATIONS

Committee on Armed Services: Committee, in executive session, ordered favorably reported the nomination of Stanley R. Resor, of Connecticut, to be Under Secretary of the Army; and 74 nominations in the Army, Navy, and Marine Corps.

Prior to this action, committee held hearings where Mr. Resor was present to testify and answer questions in behalf of his own nomination.

ARMY RESERVE—NATIONAL GUARD REORGANIZATION

Committee on Armed Services: The Preparedness Investigating Subcommittee resumed its hearings in connection with the proposed reorganization of the Army National Guard and Army Reserve Forces, having as its witness Maj. Gen. W. J. Sutton, Chief of Army Reserves.

HOUSING

Committee on Banking and Currency: The Housing Subcommittee continued its hearings on S. 1354, proposed Housing and Urban Development Act of 1965, and other pending related measures, receiving testimony from Philip C. Jackson, Jr., Mortgage Bankers Association; Ira S. Robbins, National Association of Housing and Redevelopment Officials; Harry P. Bergman, American Bankers Association; and George McLain, California League of Senior Citizens.

Hearings continue tomorrow.

CIGARETTE ADVERTISING

Committee on Commerce: Committee continued its hearings on S. 559 and S. 547, bills to regulate the labeling and advertising of cigarettes, with testimony from Dr. Duane Carr, Memphis, Tenn.; Dr. George L. Saiger, Fort Lee, N.J.; Dr. Joseph B. Wolffe, Valley Forge Medical Center and Heart Hospital, Morristown, Pa.; Dr. Douglas H. Sprunt, Institute of Pathology, University of Tennessee; Dr. William H. Carnes, Salt Lake City General Hospital, and Darrell Huff, Pacific Grove, Calif.

Hearings continue tomorrow.

FOREIGN AID

Committee on Foreign Relations: Committee continued its executive consideration of the proposed omnibus foreign aid authorizations bill for fiscal year 1966, but did not conclude action thereon, and will meet again on Monday, April 5.

Committee announced that it will hold a joint executive meeting tomorrow with the Committee on Armed Services to hear Ambassador Maxwell Taylor regarding the situation in Vietnam.

BANK CLOSURES

Committee on Government Operations: Permanent Subcommittee on Investigations continued its hearings with regard to the closing of several federally insured banks within the last year, having as its witnesses Norman R. Dunn, Regional Comptroller of the Currency, Dallas; William B. Camp, John Nicoll, and Charles McEnerney, all of the Office of the Comptroller of the Currency, Washington, D.C.; Ernest Cox, Federal Deposit Insurance Corporation; J. Crager, Continental Bank & Trust Co., Houston; J. J. Callahan, Jr., Matthew Steiner, and Bernard Garrett, all of whom were formerly affiliated with the First National Bank of Marlin, Tex.; and Ralph Dunavant, member of the subcommittee's staff.

Hearings continue tomorrow.

DEPARTMENT OF HOUSING

Committee on Government Operations: Subcommittee on Executive Reorganization continued its hearings on S. 1599, to provide for the establishment of a Depart-

ment of Housing and Urban Development, having as its witnesses Mayor John Collins, of Boston; Perry Willets, president, National Association of Home Builders; and John C. Williamson, National Association of Real Estate Boards.

Hearings continue tomorrow.

INTERGOVERNMENTAL RELATIONS

Committee on Government Operations: The Subcommittee on Intergovernmental Relations continued its hearings on S. 561, proposed Intergovernmental Cooperation Act of 1965, and S. 689, providing for periodic congressional review of Federal grants-in-aid to States and local units of government, receiving testimony from Charles F. Schwan, Jr., director, Council of State Governments; Dr. Edwin W. Webber, director, Interstate Relations, and Prof. John Bebout, Rutgers University Urban Studies Center, both representing the New England Council; Daniel W. Bell and Harold H. Hair, both representing the U.S. Chamber of Commerce; and Milton P. Semer, Deputy Administrator and General Counsel, Housing and Home Finance Agency.

Hearings continue tomorrow.

WATER PROJECTS RECREATION ACT

Committee on Interior and Insular Affairs: Committee, in executive session, ordered favorably reported with amendments S. 1229, proposed Water Projects Recreation Act.

VOTING RIGHTS

Committee on the Judiciary: Committee continued its hearings on S. 1564, to enforce the 15th amendment of the Constitution with regard to voting rights, having as its witnesses Thomas H. Watkins, an attorney repre-

senting the Governor of Mississippi; Robert Y. Button, attorney general, and Frederick T. Gray, former attorney general, both of the Commonwealth of Virginia; and James J. Kilpatrick, Richmond (Va.) News Leader.

Hearings continue tomorrow.

EDUCATION—ELEMENTARY AND SECONDARY

Committee on Labor and Public Welfare: Subcommittee on Education, in executive session, unanimously approved for full committee consideration without amendment H.R. 2362, to strengthen and improve the quality of the Nation's elementary and secondary school facilities.

It was announced that the full committee will meet on Tuesday, April 6, to consider this bill.

NORTHWEST DISASTER RELIEF PROGRAM

Committee on Public Works: Subcommittee on Public Roads held hearings on S. 327, providing assistance to Oregon, Washington, California, and Idaho for reconstruction of areas damaged by recent floods, and S. 1638, to increase limitation on emergency relief for repair of highways, with testimony from Senators Morse and Jordan, of Idaho; Representative Wyatt; Chris Wheeler, State engineer of Oregon, who represented Gov. Mark O. Hatfield; Rex M. Whitton, Federal Highway Administrator, Department of Commerce; M. M. Nelson, U.S. Forest Service, David Askegaard, Rural Electrification Administration, and Jack Frost, Farmers Home Administration, all of the Department of Agriculture; Robert Wolf, Bureau of Land Management, Department of the Interior; W. B. Hagenstein, Industrial Forestry Association; and Ralph Hodges, National Lumber & Timber Manufacturers Association.

House of Representatives

Chamber Action

Bills Introduced: 54 public bills, H.R. 7028-7081; 9 private bills, H.R. 7082-7090; and 5 resolutions, H.J. Res. 416 and 417, H. Con. Res. 381, and H. Res. 314 and 315, were introduced.

Pages 6529-6531

Bills Reported: Reports were filed as follows:

H.R. 3413, regarding certain veterans' benefits provided individuals who incur disability in line of duty (H. Rept. 216);

H. Res. 314, providing for the consideration of and 4 hours of debate on H.J. Res. 1, proposing an amendment to the Constitution relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office (H. Rept. 217);

H. Res. 273, to grant additional travel authority to the Committee on Public Works (H. Rept. 218);

H.R. 980, to provide for the return of obscene mail matter (H. Rept. 219);

H.R. 6622, to exempt the postal field service from section 1310 of the Supplemental Appropriation Act of 1952 (H. Rept. 220);

Disposition of executive papers (H. Rept. 221);

H.R. 6497, increasing the International Monetary Fund quota of the United States (H. Rept. 222); and

H.R. 7060, making appropriations for the Treasury and Post Office Departments for fiscal year 1966 (H. Rept. 223).

Page 6529

Manpower: By a unanimous record vote of 392 the House passed H.R. 4257, the Manpower Act of 1965, after adopting a committee substitute amendment. This passage was subsequently vacated and S. 974, a similar bill, was passed after being amended to contain the House-passed language.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR
TOBACCO

APRIL 2, 1965.—Ordered to be printed

Filed under authority of the order of the Senate of April 1, 1965

Mr. JORDAN of North Carolina, from the Committee on Agriculture and Forestry, submitted the following

REPORT

together with

INDIVIDUAL VIEWS

[To accompany H.R. 5721]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with amendments.

GENERAL BACKGROUND

The tobacco program has often been referred to as the most successful farm program we have. For many years the present acreage allotment program for tobacco worked reasonably well in maintaining supplies in line with demand. Prices received by tobacco growers have been favorable. Costs to the Government for price supports on tobacco have been held to a minimum. In fact, for many years, price supports on tobacco operated with no costs at all to the Government. For a number of years, the steadily increasing demand for tobacco used in the manufacture of cigarettes tended to offset increased per acre yields. Also, prices trended upward, enabling the producer associations operating the support program to dispose of their holdings at prices which would enable them to repay their loans from CCC.

As a matter of fact, since 1933 the price support program costs to the Government amount to only \$39 million. On the other hand,

since 1950 alone the taxes collected by Federal, State, and local governments amount to over \$39 billion.

In recent years, however, excessive supplies of tobacco have accumulated because of accelerated increases in per acre yields on some kinds of tobacco, especially for Flue-cured and burley, which account for about nine-tenths of our total tobacco production. During the 5 years, 1954-58, Flue-cured tobacco yields averaged 1,509 pounds per acre. In 1964, Flue-cured yields are estimated to have averaged 2,203 pounds per acre, an increase of 46 percent. Similarly, the 1964 crop of Flue-cured tobacco was 5 percent larger than the 1954 crop, notwithstanding the fact that the acreage grown in 1964 was 40 percent less than the 1954 acreage.

The burley story is quite similar. Burley yields averaged 1,579 pounds per acre in 1954-58, but increased to an alltime high of 2,231 pounds per acre in 1963. Unfavorable weather conditions prevailed in parts of the burley-producing area in 1964 but yields still averaged over 2,000 pounds per acre—second only to the 1963 record.

It is clear that we have by no means reached the limit in yields per acre. Research conducted by both the Department and by the land-grant colleges clearly shows that further increases in per acre yields are readily obtainable. The records of individual farm marketings, which are maintained in the county ASCS offices, disclose numerous instances of yields as high as 3,500 pounds per acre, with some running even higher.

With increased yields per acre, the quality of U.S.-grown tobacco has deteriorated and we have lost more of the export market for our tobacco. All tobacco offered for sale on auction markets is graded by trained Federal graders. During the 5 years 1946-50, 31.1 percent of Flue-cured tobacco marketed in the United States was placed in first, second, and third qualities by USDA inspectors. During the 5 years 1956-60, only 14.4 percent was placed in the first three qualities. For the 1962 crop, only 10.3 percent, or about one-third as much as in 1946-50, was graded into the first, second, and third qualities. Since Government grade standards for Flue-cured tobacco were substantially revised in 1963, comparable data for the 1963 and 1964 crops are not available.

Tobacco grown in the United States over the years has been noted for its superior quality. It has been the hallmark of quality in world tobacco trade. Historically, there has been a strong consumer preference for tobacco products made from U.S. leaf. High-quality cigarettes most countries of the world have been made solely from U.S. leaf or blends of U.S. leaf with domestic or other imported leaf.

The United States has the soil, climate, research program, and know-how to produce tobacco far superior in quality to that produced in any other area of the world. U.S. leaf has excelled in nearly all phases of smoking and manufacturing qualities, including flavor and aroma.

Flue-cured tobacco has become of increasing importance in world tobacco trade since the end of World War II, and now accounts for around 50 percent of all free world tobacco exports of leaf tobacco. In spite of increased demand for Flue-cured from world markets, the U.S. export level has remained relatively constant at about 450 million pounds annually. During this period, our competitors have been moving larger and larger quantities into world trade.

In 1950-54, an average of about 670 million pounds of Flue-cured tobacco moved from free-world countries. Of this total, the U.S. share was about 66 percent. During 1955-59, when an average of nearly 780 million pounds were being exported by free-world countries, the U.S. share was 60 percent.

For 1960-64, the U.S. share was only a little over 50 percent, and based on preliminary data, the U.S. share in 1964 was only 45 percent.

In order to provide a more effective method of maintaining supplies in line with demand, to improve the quality of U.S. tobacco, and to increase exports, H.R. 5721 would supplement the present acreage allotment program for Flue-cured tobacco by the addition of farm poundage quotas.

SHORT EXPLANATION OF THE BILL

H.R. 5721 provides for acreage-poundage quotas for tobacco. Producers would continue to be required to comply with acreage allotments as a condition of receiving price support; but the farm marketing quota would no longer be all that could be produced on the acreage allotment. Instead, the farm marketing quota would be the product of the acreage allotment and a computed yield figure.

The bill would be applicable to the 1965 crop of Flue-cured tobacco, if two-thirds of the Flue-cured tobacco producers voting in a special referendum approved it. It would not be applicable to other kinds of tobacco prior to the 1966 crop, and then only if approved by two-thirds of the producers voting in a special referendum. If producers do not accept acreage-poundage quotas they will continue to be subject to quotas and receive price support as now provided. If they accept acreage-poundage quotas, future quotas could be proclaimed on either an acreage-poundage or acreage basis, and rejection of either type of quota in such case would result in loss of price support and no quota would be in effect.

HOW THE BILL WOULD WORK

Announcement of acreage-poundage quotas

Within 30 days after enactment of the bill, acreage-poundage quotas would be announced for the 1965 crop of Flue-cured tobacco. If two-thirds of the farmers voting in the referendum favored such acreage-poundage quotas, they would become effective for the marketing years beginning in 1965, 1966, and 1967, in lieu of quotas on an acreage basis.

For any kind of tobacco (including Flue-cured) acreage-poundage quotas could be announced during the first or second marketing year of any 3-year period for which marketing quotas were in effect, and if approved by two-thirds of the producers voting in a referendum, would be effective for the next 3 marketing years in lieu of quotas on an acreage basis.

After acreage-poundage quotas once became effective for any kind of tobacco, the Secretary could proclaim quotas for that kind on either an acreage or acreage-poundage basis for the 3 marketing years following the end of any 3-year period for which quotas were proclaimed and approved.

Computation of acreage-poundage quotas

Whenever acreage-poundage quotas are proclaimed the Secretary would announce a national marketing quota equal to the amount to be utilized in the United States and exported during the marketing year, adjusted up or down as needed to maintain an adequate supply or to reduce supplies to the reserve supply level. The downward adjustment could not exceed 10 percent of such utilization and exports. The national quota would be apportioned in the following manner:

First, the national quota would be converted to a national acreage allotment on the basis of a "national average yield goal" (a yield which on a national average basis will improve or insure the usability of the tobacco and increase the net return per pound).

Second, farm acreage allotments would be established by adjusting the farm acreage allotments for the preceding year uniformly so that the total of the new allotments equals the new national acreage allotment (less a reserve of not to exceed 1 percent, which would be used to provide allotments for new farms and to correct errors and inequities).

Third, actual adjusted yield figures would be determined for each farm and adjusted proportionately so that the final adjusted yield figures for old farms multiplied by their acreage allotments would equal the national marketing quota. These yield figures are prepared as follows:

(1) A "preliminary farm yield" is determined. This is the average yield for the farm for the 3 highest years of the 5 years 1959-63, but not more than 120 percent of the community average yield or less than 80 percent of the community average yield. (The community average yield is an average of the community yields for the 3 highest years of the 5 years 1959-63, but if the yield for any of the 3 highest years is less than 80 percent of the 3-year average, that year or years is eliminated from the computation of the average.) Special provisions are made for counties with less than 500 acres of tobacco and farms with inadequate history.

(2) The preliminary farm yield for each farm is multiplied by its allotment, and the products thus obtained for all old farms are totaled and divided by the national acreage allotment to obtain a weighted national average yield.

(3) The national average yield goal is divided by the weighted national average yield to obtain a national yield factor.

(4) The preliminary farm yield is multiplied by the national yield factor to determine the farm yield.

Finally, the farm yield thus obtained is multiplied by the acreage allotment to determine the farm marketing quota. If marketing quotas on an acreage-poundage basis were in effect for the preceding crop and the full quota for the preceding crop was not marketed, the current quota would be increased by the amount of the preceding quota which was not marketed, such increase not to exceed 100 percent. If the preceding quota was exceeded, the current quota would be reduced by the amount of the excess, and if such excess exceeded the current quota, the balance of such excess would be deducted from the quota for the succeeding marketing year or years. In the case of Maryland tobacco and any other kind of tobacco for which the Secretary determines it impractical to make the adjustments for overmarketing and

undermarketing in the year following such overmarketing or undermarketing, the adjustments would be made in the second succeeding year.

Limited overmarketing without penalty

Under the existing law the entire production of the acreage allotment can be marketed without penalty. Under the bill the farm quota will be something less than what can be produced on the acreage allotment. Since the farmer will not be able to produce the exact amount of the farm quota and no more, the bill permits him to market 110 percent of his quota (120 percent in the case of burley) without penalty or loss of price support. The excess will, however, be deducted from his farm quota for the following year.

COMMITTEE AMENDMENTS

The amendments recommended by the committee, which are generally of a technical nature, would—

(1) Prevent downward adjustment of the national marketing quota under section 317(a) either (i) by more than 10 percent of estimated domestic consumption and exports, or (ii) so as to reduce supplies below the reserve supply level.

(2) Provide for use of the 1965 (instead of 1964) farm acreage allotment in computing the 1965 Flue-cured farm acreage allotment for the purpose of the acreage-poundage quotas.

(3) Provide that the "community average yield" shall be determined in the same manner and using the same base period for all kinds of tobacco.

(4) Make 120 percent of the community average yield the upper limit on preliminary farm yields, striking out the alternative upper limit based on 75 percent of the farm yield and 25 percent of the national yield goal.

(5) Provide for use of the same base period 1959-63 in determining preliminary farm yields for all kinds of tobacco.

(6) Permit the Secretary to conduct the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965) as long as 45 days after proclamation of the quota.

(7) Make it clear that quotas on an acreage basis continue in effect if quotas on an acreage-poundage basis are disapproved under section 317(c).

(8) Provide that insofar as practicable notices of farm marketing quotas shall be mailed at least 15 days prior to the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965).

(9) Limit the farm yield for new tobacco farms to not more than the community average yield.

(10) Make it clear that the bill does not grant authority for leasing allotments for burley or other tobacco not now covered by section 316.

(11) Provide for increasing acreage allotments transferred prior to the date the acreage-poundage quotas become effective for 1965 in the same proportion that acreage allotments are increased for 1965 under the acreage-poundage provisions.

(12) Provide that in the case of burley tobacco, the amount which may be marketed without penalty and be accorded price

support shall be 120 (instead of 110) percent of the farm marketing quota.

(13) Preserve the minimum allotments now provided for burley tobacco. Farms, at the present minimum when acreage-poundage quotas become effective could not have their allotments or quotas subsequently reduced below the allotments and quotas first established for them under the acreage-poundage system. Farms with allotments above the minimum when acreage-poundage quotas first become effective could not be reduced below farms which were then at the minimum.

(14) Provide that if acreage-poundage quotas are approved for the 1965 Flue-cured crop, the Secretary will consult with representatives of the tobacco industry concerning each kind of tobacco, conduct a study, and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry, recommending any modifications needed to improve the program and adapt it to other kinds of tobacco.

SECTION-BY-SECTION ANALYSIS

Section 1. Section 1 adds a new section 317 to the Agricultural Adjustment Act of 1938, as amended. An analysis of section 317 follows:

Subsection (a) contains the definitions of "national marketing quota," "national average yield goal," "national acreage allotment," "farm acreage allotment," "community average yield," "preliminary farm yield," "farm yield," and "farm marketing quota." These definitions are necessary because some of the terms have not been heretofore used in the act and other terms have a different meaning under the program provided for in section 317 than they have under the tobacco programs now provided for in the act.

The committee has recommended several amendments to this section.

The definition of "national marketing quota" differs from the definition in the House bill in that the Secretary would not have authority to fix the quota below the amount needed to maintain supplies at the reserve supply level nor to determine the quota in an amount which represents more than a 10-percent reduction in the estimated domestic consumption and exports. The definition of "community average yield" provides for the use of the base period 1959-63 for all kinds of tobacco rather than for Flue-cured tobacco only as provided in the House bill. The definition of "preliminary farm yield" provides for reducing the average yield for the 3 highest years of the base period to 120 percent of the community average yield if the 3-year average is in excess of 120 percent of the community average yield. Under the House bill the reduction would be to a yield determined by adding 75 percent of the 3-year average to 25 percent of the national average yield goal but not below 120 percent of the community average yield. The base period of 1959-63 would be used in determining preliminary farm yields for all kinds of tobacco. In the House bill this base period is required to be used only for Flue-cured tobacco. In determining farm acreage allotments for Flue-cured tobacco for 1965, since allotments under the present program have been issued for 1965 those allotments would be adjusted instead

of the allotments for the preceding year as will be the case for years after 1965.

Subsection (b) is designed to give Flue-cured tobacco growers an opportunity to vote on acreage-poundage quotas for 3 years beginning with the 1965 crop. The Secretary would be required within 30 days after the enactment of the bill into law to determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco in accordance with the provisions of this section. Within 30 days after the announcement of the national marketing quota the Secretary would be required to conduct a special referendum of farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in section 317 for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967. If the Secretary determines that more than 66% percent of the farmers voting in the special referendum approve marketing quotas on acreage-poundage basis then marketing quotas on an acreage-poundage basis would be in effect for the 3 marketing years and the marketing quotas for Flue-cured tobacco which are now in effect on an acreage basis would cease to be in effect beginning on July 1, 1965. If the Secretary determines that marketing quotas on an acreage-poundage basis were not approved by more than 66% percent of the farmers voting in the special referendum, then no quotas on an acreage-poundage basis would be in effect and the marketing quotas on an acreage basis which have been previously proclaimed and received producer approval would remain in effect.

Subsection (c) contains the provisions for making effective marketing quotas for 3 marketing years on an acreage-poundage basis for any kind of tobacco, including Flue-cured tobacco. The Secretary can only proceed under the provisions of subsection (c) during the first or second marketing year of the 3-year period for which marketing quotas on an acreage basis are in effect for the kind of tobacco under consideration. It is the purpose of this provision to not leave the tobacco grower without a program if acreage-poundage quotas are not approved. If the Secretary, in his discretion, determines that acreage-poundage quotas under section 317 would result in a more effective marketing quota program for the kind of tobacco under consideration, he shall, at the time of the next announcement of the amount of the national marketing quota under section 312(b) of the act, also determine and announce the amount of the national quota for the kind of tobacco under the provisions of section 317 and at the same time announce the national acreage allotment and national average yield goal. Within 45 days thereafter he would conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop, in order to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis for the next 3 marketing years. If the Secretary determines that more than 66% percent of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, quotas on that basis will be in effect for the next 3 marketing years and marketing quotas on an acreage basis shall cease to be in effect at the beginning of the first marketing year of the 3-year period. However, if he determines that the required number of

farmers do not favor quotas on an acreage-poundage basis the marketing quotas on an acreage basis which have been proclaimed and received, the requisite farmer approval will not be affected.

Subsection (d) provides for the procedure to be followed if marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis. In the last year of the 3-year period the Secretary would proclaim a marketing quota for the next 3 succeeding marketing years and, in his discretion, would proclaim it either on an acreage-poundage basis or an acreage allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco. A referendum would then be conducted under the provisions of section 312(c) of the act and if the Secretary determined that more than one-third of the farmers voting opposed national marketing quotas, the national marketing quota so proclaimed would not be in effect. No marketing quotas of any kind would be in effect for the ensuing marketing year. However, marketing quotas on an acreage basis could be proclaimed in the ensuing marketing year for the 3 marketing years following the ensuing marketing year under the provisions of section 312(a)(4).

In a referendum held pursuant to subsection (c) insofar as practicable notice of the farm marketing quota for the first year affected by the referendum would be required to be mailed to the farm operator at least 15 days prior to the date of the referendum. In other cases the notices would be mailed insofar as practicable prior to the referendum but the target of 15 days' notice would not be applicable.

Subsection (e) provides that no farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding 5 years. However, provision is made for a reserve of 1 percent or less of the national acreage allotment to be available for making corrections of errors in farm acreage, adjusting inequities, and for establishing acreage allotments for new farms which are farms on which tobacco was not produced or considered produced during the immediately preceding 5 years.

The farm yield for a new farm would be determined on the basis of available productivity data for the land involved and the farm yield for similar farms but could not exceed the community average yield.

Subsection (f) provides that only the last two sentences of subsection (g) of section 313 of the act will apply to acreage-poundage programs. These two sentences contain provisions relating to false identification in the marketing of tobacco, the filing of false acreage reports, and the double cropping of tobacco. The provision with respect to filing false acreage reports is made applicable to the filing of false production or marketing reports. The subsection also provides that in transferring allotments under the eminent domain provisions of section 378 of the act increases or decreases in acreage allotments and farm yields on account of marketings below or in excess of the farm marketing quota for the farm acquired by the eminent domain agency will be taken into account. The leasing provisions of section 316 of the act are made applicable to the acreage-poundage program except that adjustments will be based on farm yields rather than normal yields and credit for undermarketing or charges for overmarketing shall be attributed to the farm to which the allotment is transferred under the leasing arrangement.

If an acreage-poundage program becomes effective for 1965 for Flue-cured tobacco, transfers based on leases executed prior to the effective date of the program would be recognized. However, the acreage transferred would be increased or decreased in the same proportion that the allotment for the farm from which the transfer is made is increased or decreased. This could result in a transfer for 1965 which would exceed the 5-acre or 50-percent-of-cropland limitation contained in section 316. The leasing provisions would not be extended to burley or any other kind of tobacco to which section 316 does not apply.

Subsection (g) provides that the penalty provisions of section 314 of the act shall apply to the acreage-poundage program, except that no penalty will be due or collected until 110 percent of the farm marketing quota has been marketed in the case of all kinds of tobacco except burley and 120 percent has been marketed in the case of burley, but thereafter each pound marketed in excess of the applicable percentage will be subject to the full penalty rate. Marketings in excess of 100 percent of the farm marketing quota will require a reduction in subsequent farm marketing quotas in accordance with paragraph (a)(8) of section 317. The Secretary is given discretionary authority to provide that grade N₂ tobacco or any grade of tobacco not eligible for price support may be marketed without penalty or deduction from subsequent quotas to the extent of 5 percent of the farm marketing quota for the farm on which the tobacco was produced. If under the acreage-poundage program any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 percent of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment. The penalty would be paid and remitted by the producer and would be in lieu of penalties based on actual marketings of excess tobacco. For the first year that a marketing quota program on an acreage-poundage basis is in effect the carryover provisions appearing in the fourth sentence of subsection (a) of section 314 would be amended by substituting "farm yield" for normal production. The carryover provisions of section 314 would not be applicable after the first year because of the provisions of subsection (a)(8) of section 317 which provides for an adjustment in the quota for overmarketings or undermarketings.

Subsection (h) provides for minimum farm acreage allotments and marketing quotas for old burley tobacco farms. Since the effects of the minimum provisions of the present law would be reflected in the farm acreage allotments established for the first year of an acreage-poundage program, allotments for the first year for burley tobacco would be determined under the procedure applicable to other kinds of tobacco. However, for years subsequent to the first year this subsection would require a determination of the acreage allotment, without adjustment from the reserve, established for the first year for a farm with an allotment of five-tenths of an acre for the year immediately preceding the first year. This would constitute a standard, to replace the present five-tenths of an acre standard. The minimum allotment for any farm after the first year would then be the smallest of that amount, the acreage allotment established for such farm the

first year, or 10 percent of the cropland. The farm would also receive a minimum marketing quota in years subsequent to the first year equal to the product of the farm yield for the first year and the minimum allotment. The minimum allotments and marketing quotas would be subject to adjustments for overmarketing or undermarketing and to reductions for violations.

Subsection (i) would be operative only if an acreage-poundage program becomes effective on Flue-cured tobacco in 1965. In that event the Secretary would be required to hold meetings prior to January 1, 1966, with the tobacco industry with respect to each kind of tobacco to receive recommendations and to determine the need for a similar or modified programs for such kinds of tobacco. He would also be required to conduct a study and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry on experience with and operation of the Flue-cured program and to make recommendations with respect thereto for Flue-cured tobacco and for programs for other kinds of tobacco. The report would have to be filed prior to January 1, 1966.

Section 2. Section 313(j) of the act, as added by Public Law 361, 84th Congress, approved August 11, 1955, provides that the production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible as an old farm but that such production would not make the farm ineligible for a new farm allotment. Section 2 amends this subsection to make it apply to the acreage-poundage program under section 317.

Section 3. Section 3 amends section 106 of the Agricultural Act of 1949 which contains price support provisions for tobacco. A new subsection (c) is added which provides that price support shall not be made available on tobacco marketed in excess of 110 percent (120 percent in the case of burley) of the marketing quota for the farm when acreage-poundage quotas are in effect. It also provides that for the purpose of price support eligible tobacco carried over from one marketing year to another to avoid marketings in excess of the farm marketing quota on an acreage-poundage basis shall when marketed be considered tobacco of the then current crop. The overall provision that tobacco grown on a farm on which the acreage allotment is knowingly exceeded would not be eligible for mandatory price support would apply to the acreage-poundage program.

ADMINISTRATION VIEWS

In the message of February 4 relative to the farm program, the President recommended legislation for tobacco, as follows:

The tobacco program must also be reappraised this year. Yield increases, higher Government costs, deterioration in quality, and loss of foreign markets have weakened what has been a highly successful program.

Legislation is needed to authorize production and marketing limits on an acreage-poundage basis. Consideration should also be given to revisions in our programs which will make American tobacco more competitive in world markets.

Attached is the favorable report of the Department of Agriculture on S. 821, a companion bill to H.R. 5721. Except for the Depart-

ment's suggestion that a majority, instead of two-thirds, vote be sufficient for approval of acreage-poundage quotas, the Department's amendments have been generally adopted. In addition, the House made improvements over the text of S. 821, and this committee has recommended additional amendments to improve it.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 4, 1965.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your request of February 1, 1965, for a report on S. 821, a bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco.

This Department recommends that the bill be passed.

The bill provides for supplementing the present marketing quota program for tobacco which is operated on an acreage basis by the addition of farm poundage quotas. The present acreage allotment program for tobacco has been effective over the years in maintaining stable supplies with favorable prices to growers at minimum cost to the Government. However, due to substantial increases in per acre yields in recent years, excessive supplies have accumulated. For example, Flue-cured tobacco yields averaged 1,509 pounds per acre during the 5 years, 1954-58, but reached an alltime high of 2,203 pounds per acre in 1964. Likewise, burley tobacco yeilds increased from a 5-year average of 1,579 pounds per acre in 1954-58 to a record 2,231 pounds per acre in 1963. Research data and the records of individual farm marketings which are maintained in our county ASCS offices show that further increases in per acre yields are readily obtainable. With the reductions made in farm acreage allotments for 1965, it is expected that growers will make greater efforts to increase yields which will necessitate further reductions in acreage allotments in the years ahead.

The bill provides that within 30 days after its enactment, the Secretary shall determine and announce the amount of the national, marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco. The bill provides further that within 30 days after such announcement, the Secretary shall conduct a special referendum of the farmers engaged in the production of the 1964 crop of Flue-cured tobacco to determine whether they favor or oppose the establishment of farm marketing quotas on an acreage-poundage basis as provided in the bill for the 3 marketing years beginning July 1, 1965, in lieu of quotas on an acreage basis now in effect. If two-thirds or more of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in the bill will be in effect for the 3 marketing years in lieu of the marketing quotas on an acreage basis which are now in effect.

The bill provides also that whenever during the first or second year of a 3-year period for which marketing quotas on an acreage basis are

in effect for a kind of tobacco, including Flue-cured, the Secretary determines with respect to that kind of tobacco that acreage-poundage quotas would result in a more effective marketing quota program for that kind of tobacco, he shall at the time of the next announcement of the amount of the national marketing quota under the present acreage allotment program determine and announce the amount of the national quota for the kind of tobacco involved as provided in the bill and at the same time announce the national acreage allotment and national average yield goal and, within 30 days thereafter, conduct a special referendum to determine whether growers of the kind of tobacco involved favor the establishment of marketing quotas on an acreage-poundage basis as provided in the bill for the next 3 marketing years.

The bill is in accordance with the recommendation on this subject in the President's message on agriculture, and this Department recommends its enactment, with certain amendments indicated below. We believe that it is urgently necessary to revise the present production and price stabilization programs for tobacco to provide more effective supply adjustment, expansion of exports through improvement of quality, and a reduction in costs to the Government.

We recommend that the bill be amended in subsections 317(b) and 317(c) to change the percentage of favorable votes required to make the acreage-poundage program effective, from two-third's or more of the growers voting to more than 50 percent of the growers voting. For example, since 96.5 percent of the growers voting have approved marketing quotas for the next three crops of Flue-cured tobacco and since the vote in the special referendum would in no way change that basic decision to have marketing quotas, it is our view that a simple majority of the growers voting in the special referendum should determine whether such a program will be on an acreage basis or on an acreage-poundage basis.

We recommend further that the limitation in paragraphs 317(a)(4) and 317(a)(8) with respect to the amount of the farm marketing quota which can be carried over from one year to the next because of under marketings be clarified. A revised draft of the bill in which these recommendations, together with minor changes, have been incorporated is enclosed.

The enactment of this bill will result in substantial savings in Government funds since it will be more effective in maintaining supplies in line with demand, thus enabling the disposition of loan stocks with minimum losses.

The President's message on agriculture also recommends that consideration be given to other revisions in the tobacco program to make American tobacco more competitive in world markets. If the Congress wishes to make the acreage-poundage choice contemplated by S. 821 available for tobacco growers for the 1965 crop, we would suggest that the Congress give prompt consideration to legislation revising this aspect of the program without awaiting the consideration of other matters.

The Bureau of the Budget advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

CHARLES S. MURPHY, *Under Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * * *

APPORTIONMENT OF NATIONAL MARKETING QUOTA

SEC. 313. * * *

* * * * * *

(j) The production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsections (b) and (g) hereof *or section 317: Provided, however,* That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsections (c) and (g) hereof *or section 317*, but such production shall not be deemed past tobacco experience for any producer on the farm.

* * * * * *

ACREAGE-POUNDAGE QUOTAS

SEC. 317. (a) *For purposes of this section—*

(1) "National marketing quota" for any kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year, adjusted upward or downward in such amount as the Secretary, in his discretion, determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of supplies to the reserve supply level. Any such downward adjustment shall not exceed 10 per centum of such estimated utilization and exports.

(2) "National average yield goal" for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

(3) "National acreage allotment" means the acreage determined by dividing the national marketing quota by the national average yield goal.

(4) "Farm acreage allotment" for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by adjusting uniformly the acreage allotment established for such farm for the immediately preceding year, prior to any increase or decrease in such allotment due to undermarketings or overmarketings and prior to any reduction under subsection (f), so that the total of all allotments is equal to the national acreage allotment less the reserve provided in subsection (e) of this section with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for overmarketing or

undermarketing and to reflect any reduction required under subsection (f) of this section, and including any adjustment for errors or inequities from the reserve. In determining farm acreage allotments for Flue-cured tobacco for 1965, the 1965 farm allotment determined under section 313 shall be adjusted in lieu of the acreage allotment for the immediately preceding year.

(5) The "community average yield" means for Flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the three highest years of the five years 1959 to 1963, inclusive, except that if the yield for any of the three highest years is less than 80 per centum of the average for the three years then that year or years shall be eliminated and the average of the remaining years shall be the community average yield. Community average yields for other kinds of tobacco shall be determined in the same manner.

(6)(A) "Preliminary farm yield" for Flue-cured tobacco means a farm yield per acre determined by averaging the yield per acre for the three highest years of the five consecutive crop years beginning with the 1959 crop year except that if that average exceeds 120 per centum of the community average yield the preliminary farm yield shall be 120 per centum of the community average yield, and if the average of the three highest years is less than 80 per centum of the community average yield the preliminary farm yield shall be 80 per centum of the community average yield. In counties where less than five hundred acres of Flue-cured tobacco were allotted for 1964, the county may be considered as one community. If Flue-cured tobacco was not produced on the farm for at least three years of the five-year period the average of the yields for the years in which tobacco was produced shall be used instead of the three-year average. If no Flue-cured tobacco was produced on the farm in the five-year period but the farm is eligible for an allotment because Flue-cured tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

(B) "Preliminary farm yield" for kinds of tobacco, other than Flue-cured, means a farm yield per acre determined in accordance with subparagraph (A) of this paragraph (6). In counties where less than five hundred acres of the kind of tobacco for which the determination is being made were allotted in the last year of the five-year period the county may be considered as one community. If tobacco of the kind for which the determination is being made was not produced on the farm for at least three years of the five-year period, the average of the yields for the years in which the kind of tobacco was produced shall be used instead of the three-year average. If no tobacco of the kind for which the determination is being made was produced on the farm in the five-year period but the farm is eligible for an allotment because such tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

(7) "Farm yield" means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal

by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm prior to adjustments for overmarketing, undermarketing, or reductions required under subsection (f) and dividing the sum of the products by the national acreage allotment.

(8) "Farm marketing quota" for any farm for any marketing year shall be the number of pounds of tobacco obtained by multiplying the farm yield by the acreage allotment prior to any adjustment for undermarketing or overmarketing, increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if marketing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: Provided, That the farm marketing quota for any marketing year shall not be increased for undermarketing by an amount in excess of the number of pounds determined by multiplying the acreage allotment for the farm for the immediately preceding year prior to any increase or decrease for undermarketing or overmarketing by the farm yield. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

(b) Within thirty days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco, and within thirty days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967, in lieu of quotas on an acreage basis in effect for those marketing years. If the Secretary determines that more than 66⅔ per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in this section shall be in effect for those marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

(c) Whenever, during the first or second marketing year of the three-year period for which marketing quotas on an acreage basis are in effect for any kind of tobacco, including Flue-cured tobacco, the Secretary, in his discretion, determines with respect to that kind of tobacco that acreage-poundage quotas under this section would result in a more effective marketing quota program for that kind of tobacco he shall at the time the next announcement of the amount of the national marketing quota under section 312(b) of this Act determine and announce the amount of the national quota for that kind of tobacco under this section of the Act and at the same time announce the national acreage allotment and national average yield

goal and within forty-five days thereafter conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the next three marketing years: Provided, however, That the Secretary shall not make any such determination with respect to any kind of tobacco except Flue-cured tobacco unless prior thereto he shall conduct public hearings in the areas where such tobacco is produced for the purpose of ascertaining and taking into consideration the attitudes of producers and other interested persons with respect to acreage-poundage quotas. If the Secretary determines that more than 66⅔ per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis as provided in this section, quotas on that basis shall be in effect for the next three marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period. If marketing quotas on an acreage-poundage basis are not approved by more than 66⅔ per centum of the farmers voting in such referendum, the marketing quotas on an acreage basis shall continue in effect as theretofore proclaimed under section 312(a).

(d) If marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis pursuant to subsections (b) or (c) the Secretary shall, not later than December 1 of any marketing year with respect to Flue-cured tobacco, and February 1 with respect to other kinds of tobacco, proclaim a national marketing quota for that kind of tobacco for the next three succeeding marketing years if the marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect. The Secretary, in his discretion, may proclaim the quota on an acreage-poundage basis as provided in this section or on an acreage allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco, and shall conduct a referendum in accordance with the provisions of section 312(c) of this Act. If the Secretary determines that more than one-third of the farmers voting oppose the national marketing quotas the results shall be proclaimed and the national marketing quota so proclaimed shall not be in effect. If the Secretary proclaims the quotas on an acreage-poundage basis he shall determine and proclaim at the same time the national marketing quota, national acreage allotment, and national average yield goal for the first year of the three years for which quotas are proclaimed. Notice of the farm marketing quota which will be in effect for his farm for the first marketing year covered by the referendum insofar as practicable shall be mailed to the farm operator prior to the holding of any special referendum under subsection (b) or a referendum on acreage-poundage quotas under this subsection, and at least 15 days prior to the holding of any special referendum under subsection (c). The Secretary shall determine and announce the national marketing quota, national acreage allotment and national average yield goal for the second and third marketing years of any three-year period for which national marketing quotas on an acreage-poundage basis are in effect on or before the December 1 with respect to Flue-cured tobacco and the February 1 with respect to other kinds of tobacco immediately preceding the beginning of the marketing year to which they apply. Whenever a national marketing quota, national acreage allotment, and national average yield goal are determined and announced, the Secretary shall provide for the determination of farm acreage allotments and farm marketing quotas under the provisions

of this section for the crop and marketing year covered by the determinations.

(e) No farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding five years. For each marketing year for which acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than 1 per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments, adjusting inequities, and for establishing acreage allotments for new farms, which are farms on which tobacco was not produced or considered produced during the immediately preceding five years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop rotation practices, soil and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms, and shall not exceed the community average yield.

(f) Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage-poundage programs established under this section. The acreage reductions required under the last two sentences shall be in addition to any other adjustments made pursuant to this section, and when acreage reductions are made the farm marketing quota shall be reduced to reflect such reductions. The provisions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production or marketings of tobacco grown on a farm for which an acreage allotment and a farm yield are established as provided in this section. In establishing acreage allotments and farm yields for other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency. Acreage allotments and farm marketing quotas determined under this section may (except in the case of Burley tobacco, or other kinds of tobacco not subject to section 316) be leased under the terms and conditions contained in section 316 of this Act, except that (1) the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields, and (2) any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred. Transfers of acreage allotments for 1965 under section 316 on the basis of leases executed prior to the effective date of a program for the 1965 crop of Flue-cured tobacco under this section may be approved or ratified by the county committee for the purposes of this section, but the amount of allotment transferred shall be increased or decreased in the same proportion that the allotment of the farm from which it is transferred is increased or decreased under this section.

(g) When marketing quotas under this section are in effect, provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

(1) No penalty on excess tobacco shall be due or collected until 110 per centum (120 per centum in the case of burley tobacco) of the farm marketing quota for a farm has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable, and collected at the time of marketing on each pound of tobacco marketed, and any tobacco marketed in excess of 100 per centum of the farm marketing quota will require a reduction in subsequent farm marketing quotas in accordance with paragraph (a)(8): *Provided, however, If the Secretary, in his discretion, determines it is desirable to encourage the marketing of grade N₂ tobacco, or any grade of tobacco not eligible for price support, in order to meet the normal demands of export and domestic markets, he may authorize the marketing of such tobacco in a marketing year without the payment of penalty or deduction from subsequent quotas to the extent of 5 per centum of the farm marketing quota for the farm on which the tobacco was produced.*

(2) When marketing quotas established under this section are in effect the provisions with respect to penalties contained in the third sentence of subsection 314(a) shall be revised to read: "If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 per centum of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment and the penalty in respect thereof shall be paid and remitted by the producer."

(3) For the first year a marketing quota program established under the provisions of this section is in effect, the words "normal production" where they appear in the fourth sentence of subsection (a) of such section shall be read "farm yield" and the said fourth sentence shall otherwise be applicable. For the second and succeeding years for which a program established under the provisions of this section is in effect, the provisions of subsection (a)(8) shall apply when penalties, if any, on carryover tobacco are computed, and the provisions contained in the fourth sentence of subsection 314(a) shall not be applicable.

(h) Notwithstanding any other provision of this section, for any year subsequent to the first year for which marketing quotas are made effective under this section for burley tobacco—

(1) the farm acreage allotment for burley tobacco under this section shall not be less than the smallest of (A) the acreage allotment established for the farm for such first year, (B) the acreage allotment established for such first year for a farm which had an acreage allotment of five-tenths of an acre for the year preceding such first year, or (C) 10 per centum of the cropland; and

(2) the farm marketing quota for burley tobacco under this section shall not be less than the minimum allotment provided by clause (1) multiplied by the farm yield established for such first year for such farm.

Farm acreage allotments and marketing quotas to which the provisions of (1) and (2) are applicable shall be subject to adjustment for overmarketing or undermarketing or reductions required by subsection (f). The additional acreage and quotas required under this subsection shall be in addition to the national acreage allotment and national marketing quota.

(i) *If an acreage-poundage program for Flue-cured tobacco is approved by growers voting in the special referendum under subsection (b), the Secretary shall not later than January 1, 1966—*

(1) Consult with representatives of all segments of the tobacco industry, including growers, State farm organizations, and co-operative associations, in meetings held for each kind of tobacco, to receive their recommendations and to determine the need for a similar or modified program for that kind of tobacco.

(2) Conduct a study and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry on experience with and operation of the program, and make recommendations for any modifications needed to improve the program, including alternatives adapted to the different needs of other kinds of tobacco.

AGRICULTURAL ACT OF 1949, AS AMENDED

* * * * *

PRICE SUPPORT FOR 1960 AND SUBSEQUENT YEARS (TOBACCO)

SEC. 106. Notwithstanding any of the provisions of section 101 of this Act:

(a) For the 1960 crop of any kind of tobacco for which marketing quotas are in effect, or for which marketing quotas are not disapproved by producers, the support level in cents per pound shall be the level at which the 1959 crop of such kind of tobacco was supported, or if marketing quotas were disapproved for the 1959 crop of such kind of tobacco, the level at which the 1959 crop of such kind of tobacco would have been supported if marketing quotas had been in effect.

(b) For the 1961 crop and each subsequent crop of any kind of tobacco for which marketing quotas are in effect, or for which marketing quotas are not disapproved by producers, the support level in cents per pound shall be determined by adjusting the support level for the 1959 crop of such kind of tobacco, or if marketing quotas were disapproved for the 1959 crop of such kind of tobacco, the level at which in 1959 crop of such kind of tobacco would have been supported if marketing quotas had been in effect, by multiplying such support level for the 1959 crop by the ratio of (i) the average of the index of prices paid by farmers, including wage rates, interest, and taxes, as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended, for the three calendar years immediately preceding the calendar year in which the marketing year begins for the crop for which the support level is being determined to (ii) the average index of such prices paid by farmers, including wage rates, interest, and taxes for the calendar year 1959.

(c) *If acreage-poundage farm marketing quotas are in effect under section 317 of the Agricultural Adjustment Act of 1938, as amended, (1) price support shall not be made available on tobacco marketed in excess of 110 per centum (120 per centum in the case of burley tobacco) of the marketing quota for the farm on which such tobacco was produced, and (2) for the purpose of price-support eligibility, tobacco carried over from one marketing year to another to avoid marketings in excess of the farm marketing quota shall, when marketed, be considered tobacco of the then current crop.*

INDIVIDUAL VIEWS OF SENATOR COOPER

The tobacco program has been a good farm program. It has been good for farmers—for whom it has secured fair prices. And it has operated without substantial cost to taxpayers or loss to the Government. It has done so because tobacco growers have “demonstrated their willingness and ability to maintain supplies in line with demand” by accepting effective production controls.

But, in recent years, yields have increased rapidly—as much as 35 percent between 1960 and 1963, or 600 pounds more burley grown per acre—requiring repeated cuts in farm acreage allotments. And during the hearings of our committee on this bill, Under Secretary of Agriculture Murphy testified that the present program would require continuing cuts as production per acre continues to climb.

This bill would give farmers a choice between the present system of acreage controls and the acreage-poundage plan developed and recommended by the Department of Agriculture. As one of my amendments makes clear, unless two-thirds of the growers of a kind of tobacco vote in a special referendum for acreage-poundage, the existing acreage allotment and price support program will remain in full effect.

Tobacco is the chief cash farm crop of Kentucky. The State ranks second in tobacco production only to North Carolina. It is the principal source of burley tobacco, which together with Dark Air-cured and Dark Fired, accounts for some \$300 million of Kentucky's annual farm income. More than 300,000 farm families—140,000 of them in Kentucky—depend for their livelihood largely or in part upon their burley tobacco allotments. While this bill would apply immediately to Flue-cured tobacco, it also authorizes an acreage-poundage referendum next year or later for burley and other types of tobacco.

My purpose is to insure that any program presented to tobacco farmers protects the existing price support program, and that full information will be provided to burley and dark leaf tobacco growers before an acreage-poundage referendum is held. For this reason I offered several amendments to the House bill. All were adopted by the Senate Committee on Agriculture, and I trust will be maintained in whatever acreage-poundage plan may be enacted by the Congress.

The committee amendments are described briefly in the Senate report. They are the amendments which I offered in committee, with the exception of the technical amendments for Flue-cured, 2 and 11, and amendment No. 4, which applies to all kinds of tobacco. I concurred in this amendment, offered by Senator Jordan. It is a very important amendment because it provides a more equitable method of allotting the national poundage quota among growers than does the House bill.

I am also glad that the House adopted the amendment of Congressman Stubblefield, of Kentucky, requiring field hearings by the Department of Agriculture to secure the views of growers before holding a

referendum on acreage-poundage for any type of tobacco except Flue-cured.

Amendment No. 1 applies to all types of tobacco. Its purpose is to maintain the "reserve supply level" established in present law, which assures adequate stocks of tobacco—2.8 years' use in the case of burley. The amendment is also designed to prevent too drastic cuts in growers' poundage quotas, for the purpose of working off existing Government-loan stocks.

Amendment No. 12 permits burley growers to market up to 20 percent over their poundage quota—if they wish to do so by taking a corresponding reduction in their next year's acreage allotment and poundage quota. Unlike Flue-cured tobacco which is "primed" by pulling leaves from the stalk as they ripen in the field over a period of several weeks, the entire stalk of burley is cut, hung in the barn, cured, and then stripped and taken to market. Some years, depending on weather, it would be difficult for burley growers to hit their poundage goal precisely. There is a market, and an export market, for a wide variety of burley grades from the entire stalk. If good tobacco, ready for market, is not to be needlessly destroyed, this degree of flexibility is needed in burley—and in any event, it is a decision properly left to the farmer.

Amendment No. 13 applies to farms now having burley allotments of one-half acre or less. Under present law these small allotments are protected from cuts, but the administration bill made no provision for them under acreage-poundage. Under my amendment, the initial poundage quotas for small farms would be set on the same basis as all other farms. But after this initial adjustment, the quotas for these farms could not in future years be reduced below that figure. In this connection, I point out the testimony of the Department before our committee that while 33,000 Kentucky farms have burley allotments of one-half acre or less, this 23 percent of the allotments represents only 6 percent of the tobacco acreage. Yet these are often the allotments supporting families who have a real struggle for existence.

Amendment No. 14 requires the Department of Agriculture to consult with growers, State farm organizations, and tobacco cooperatives in determining the need for and details of an acreage-poundage plan for types other than Flue-cured tobacco. Amendments 6 and 8 assure ample notice of an acreage-poundage referendum, and require that each tobacco farmer be notified of his poundage quota and acreage allotment at least 15 days before the referendum. My other amendments are technical or similar in purpose.

I will vote for the bill, which has been recommended by the President and submitted by the Secretary of Agriculture. It gives tobacco growers a choice between the present and proposed methods of controlling production under the tobacco price support program. In making this choice, my amendments are intended to inform our farmers as fully as possible about the tobacco supply situation, its effect upon the tobacco price support program, and the details of the acreage-poundage proposal.

The tobacco price support program must not be allowed to collapse under the weight of an unmanageable surplus. Deeper cuts in acreage allotments year after year would be intolerable, and are not a fair solution to the problem of increasing farm yields.

I believe that all of us—tobacco growers, Members of Congress from the tobacco-growing States, and all those who work with tobacco—must join together to secure the best means to protect and continue the price support program, without which the tobacco grower would suffer great loss. We have worked hard throughout the years to protect our tobacco program and make it successful. We must continue to do so.

JOHN SHERMAN COOPER.



89TH CONGRESS
1ST SESSION

H. R. 5721

[Report No. 145]

IN THE SENATE OF THE UNITED STATES

MARCH 25, 1965

Read twice and referred to the Committee on Agriculture and Forestry

APRIL 2, 1965

Reported, under authority of the order of the Senate of April 1, 1965, by
Mr. JORDAN of North Carolina, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Adjustment Act of 1938, as amended,
4 hereinafter referred to as the "Act", is amended by adding
5 immediately following section 316 a section 317 to read
6 as follows:

7 "ACREAGE-POUNDAGE QUOTAS

8 "SEC. 317. (a) For purposes of this section—

9 "(1) 'National marketing quota' for any kind of tobacco

1 for a marketing year means the amount of the kind of
2 tobacco produced in the United States which the Secretary
3 estimates will be utilized during the marketing year in the
4 United States and will be exported during the marketing
5 year, adjusted upward or downward in such amount as the
6 Secretary, in his discretion, determines is desirable for the
7 purpose of maintaining an adequate supply or for effecting an
8 orderly reduction of excessive supplies in order to achieve the
9 policy of the Act supplies to the reserve supply level. Any
10 such downward adjustment shall not exceed 10 per centum
11 of such estimated utilization and exports.

12 “(2) ‘National average yield goal’ for any kind of
13 tobacco means the yield per acre which on a national average
14 basis the Secretary determines will improve or insure the
15 usability of the tobacco and increase the net return per
16 pound to the growers. In making this determination the
17 Secretary shall give consideration to such Federal-State
18 production research data as he deems relevant.

19 “(3) ‘National acreage allotment’ means the acreage
20 determined by dividing the national marketing quota by the
21 national average yield goal.

22 “(4) ‘Farm acreage allotment’ for a tobacco farm, other
23 than a new tobacco farm, means the acreage allotment deter-
24 mined by adjusting uniformly the acreage allotment estab-
25 lished for such farm for the immediately preceding year,

1 prior to any increase or decrease in such allotment due to
2 undermarketings or overmarketings and prior to any reduc-
3 tion under subsection (f), so that the total of all allotments
4 is equal to the national acreage allotment less the reserve
5 provided in subsection (e) of this section with a further
6 downward or upward adjustment to reflect any adjustment
7 in the farm marketing quota for overmarketing or undermar-
8 keting and to reflect any reduction required under subsection
9 (f) of this section, and including any adjustment for errors
10 or inequities from the reserve. *In determining farm acreage*
11 *allotments for Flue-cured tobacco for 1965, the 1965 farm*
12 *allotment determined under section 313 shall be adjusted*
13 *in lieu of the acreage allotment for the immediately preceding*
14 *year.*

15 “(5) The ‘community average yield’ means for Flue-
16 cured tobacco the average yield per acre in the community
17 designated by the Secretary as a local administrative area
18 under the provisions of section 8 (b) of the Soil Conservation
19 and Domestic Allotment Act, as amended, which is deter-
20 mined by averaging the yields per acre for the three highest
21 years of the five years 1959 to 1963, inclusive, except that
22 if the yield for any of the three highest years is less than 80
23 per centum of the average for the three years then that year
24 or years shall be eliminated and the average of the remaining
25 years shall be the community average yield. Community

1 average yields for other kinds of tobacco shall be determined
2 in like manner, except that the five most recent crop years
3 for which data are available shall be used instead of the
4 period 1959 to 1963 the same manner.

5 “(6) (A) ‘Preliminary farm yield’ for Flue-cured to-
6 bacco means a farm yield per acre determined by averaging
7 the yield per acre for the three highest years of the five
8 consecutive crop years beginning with the 1959 crop year
9 except that if that average exceeds 120 per centum of the
10 community average yield the preliminary farm yield shall
11 be the sum of 75 per centum of the average of the three
12 highest years and 25 per centum of the national average
13 yield goal but not less than 120 per centum of the com-
14 munity average yield, and if the average of the three highest
15 years is less than 80 per centum of the community average
16 yield the preliminary farm yield shall be 80 per centum of
17 the community average yield. In counties where less than
18 five hundred acres of Flue-cured tobacco were allotted for
19 1964, the county may be considered as one community. If
20 Flue-cured tobacco was not produced on the farm for at
21 least three years of the five-year period the average of the
22 yields for the years in which tobacco was produced shall be
23 used instead of the three-year average. If no Flue-cured
24 tobacco was produced on the farm in the five-year period
25 but the farm is eligible for an allotment because Flue-cured

1 tobacco was considered to have been produced under appli-
2 cable provisions of law, a preliminary farm yield for the
3 farm shall be determined under regulations of the Secretary
4 taking into account preliminary farm yields of similar farms
5 in the community.

6 “(B) ‘Preliminary farm yield’ for kinds of tobacco,
7 other than Flue-cured, means a farm yield per acre deter-
8 mined in accordance with subparagraph (A) of this para-
9 graph (6) except that in lieu of the five consecutive crop
10 years beginning with 1959 the five most recent crop years
11 for which data are available for the kind of tobacco shall be
12 used. In counties where less than five hundred acres of the
13 kind of tobacco for which the determination is being made
14 were allotted in the last year of the five-year period the
15 county may be considered as one community. If tobacco of
16 the kind for which the determination is being made was not
17 produced on the farm for at least three years of the five-year
18 period, the average of the yields for the years in which the
19 kind of tobacco was produced shall be used instead of the
20 three-year average. If no tobacco of the kind for which the
21 determination is being made was produced on the farm in the
22 five-year period but the farm is eligible for an allotment be-
23 cause such tobacco was considered to have been produced
24 under applicable provisions of law, a preliminary farm yield
25 for the farm shall be determined under regulations of the

1 Secretary taking into account preliminary farm yields of
2 similar farms in the community.

3 “(7) ‘Farm yield’ means the yield of tobacco per acre
4 for a farm determined by multiplying the preliminary farm
5 yield by a national yield factor which shall be obtained by
6 dividing the national average yield goal by a weighted na-
7 tional average yield computed by multiplying the preliminary
8 farm yield for each farm by the acreage allotment deter-
9 mined pursuant to paragraph (4) for the farm prior to ad-
10 justments for overmarketing, undermarketing, or reductions
11 required under subsection (f) and dividing the sum of the
12 products by the national acreage allotment.

13 “(8) ‘Farm marketing quota’ for any farm for any mar-
14 keting year shall be the number of pounds of tobacco obtained
15 by multiplying the farm yield by the acreage allotment prior
16 to any adjustment for undermarketing or overmarketing, in-
17 creased for undermarketing or decreased for overmarketing
18 by the number of pounds by which marketings of tobacco
19 from the farm during the immediately preceding marketing
20 year, if marketing quotas were in effect under the program
21 established by this section, is less than or exceeds the farm
22 marketing quota for such year: *Provided*, That the farm
23 marketing quota for any marketing year shall not be in-
24 creased for undermarketing by an amount in excess of
25 the number of pounds determined by multiplying the

1 acreage allotment for the farm for the immediately pre-
2 ceding year prior to any increase or decrease for under-
3 marketing or overmarketing by the farm yield. If on
4 account of excess marketings in the preceding market-
5 ing year the farm marketing quota for the marketing year
6 is reduced to zero pounds without reflecting the entire
7 reduction required, the additional reduction required shall
8 be made for the subsequent marketing year or years. The
9 farm marketing quota will be increased or decreased for the
10 second succeeding marketing year in the case of Maryland
11 tobacco, and for any other kind of tobacco for which the Sec-
12 retary determines it is impracticable because of the lack of
13 adequate marketing data, to make the increases or decreases
14 applicable to the immediately succeeding marketing year.

15 “(b) Within thirty days after the enactment of this sec-
16 tion the Secretary pursuant to the provisions of subsection
17 (a) of this section shall determine and announce the amount
18 of the national marketing quota for Flue-cured tobacco for
19 the marketing year beginning July 1, 1965, and the national
20 acreage allotment and national average yield goal for the
21 1965 crop of Flue-cured tobacco, and within thirty days
22 after the announcement of the amount of such national mar-
23 keting quota shall conduct a special referendum of the
24 farmers engaged in the production of Flue-cured tobacco of
25 the 1964 crop to determine whether they favor or oppose

1 the establishment of marketing quotas on an acreage-pound-
2 age basis as provided in this section for the marketing years
3 beginning July 1, 1965, July 1, 1966, and July 1, 1967,
4 in lieu of quotas on an acreage basis in effect for those mar-
5 keting years. If the Secretary determines that more than
6 66 $\frac{2}{3}$ per centum of the farmers voting in the special refer-
7 endum approve marketing quotas on an acreage-poundage
8 basis, marketing quotas on an acreage-poundage basis as
9 provided in this section shall be in effect for those marketing
10 years and the marketing quotas on an acreage basis shall
11 cease to be in effect at the beginning of such three-year
12 period.

13 “(c) Whenever, during the first or second marketing
14 year of the three-year period for which marketing quotas on
15 an acreage basis are in effect for any kind of tobacco, in-
16 cluding Flue-cured tobacco, the Secretary, in his discretion,
17 determines with respect to that kind of tobacco that acreage-
18 poundage quotas under this section would result in a more
19 effective marketing quota program for that kind of tobacco
20 he shall at the time the next announcement of the amount
21 of the national marketing quota under section 312 (b) of this
22 Act determine and announce the amount of the national
23 quota for that kind of tobacco under this section of the Act
24 and at the same time announce the national acreage allot-
25 ment and national average yield goal and within ~~thirty~~ forty-

1 *five* days thereafter conduct a special referendum of farmers
2 engaged in the production of the kind of tobacco of the most
3 recent crop to determine whether they favor the establish-
4 ment of marketing quotas on an acreage-poundage basis as
5 provided in this section for the next three marketing years:
6 *Provided, however,* That the Secretary shall not make any
7 such determination with respect to any kind of tobacco except
8 Flue-cured tobacco unless prior thereto he shall conduct pub-
9 lic hearings in the areas where such tobacco is produced for
10 the purpose of ascertaining and taking into consideration
11 the attitudes of producers and other interested persons
12 with respect to acreage-poundage quotas. If the Sec-
13 retary determines that more than $66\frac{2}{3}$ per centum of the
14 farmers voting in the special referendum approve marketing
15 quotas on an acreage-poundage basis as provided in this sec-
16 tion, quotas on that basis shall be in effect for the next three
17 marketing years and the marketing quotas on an acreage
18 basis shall cease to be in effect at the beginning of such three-
19 year period. *If marketing quotas on an acreage-poundage*
20 *basis are not approved by more than $66\frac{2}{3}$ per centum of the*
21 *farmers voting in such referendum, the marketing quotas on*
22 *an acreage basis shall continue in effect as theretofore pro-*
23 *claimed under section 312(a).*

24 “(d) If marketing quotas have been made effective for

1 a kind of tobacco on an acreage-poundage basis pursuant to
2 subsections (b) or (c) the Secretary shall, not later than
3 December 1 of any marketing year with respect to Flue-
4 cured tobacco, and February 1 with respect to other kinds
5 of tobacco, proclaim a national marketing quota for that kind
6 of tobacco for the next three succeeding marketing years if
7 the marketing year is the last year of three consecutive years
8 for which marketing quotas previously proclaimed will be in
9 effect. The Secretary, in his discretion, may proclaim the
10 quota on an acreage-poundage basis as provided in this sec-
11 tion or on an acreage allotment basis, whichever he deter-
12 mines would result in a more effective marketing quota for
13 that kind of tobacco, and shall conduct a referendum in ac-
14 cordance with the provisions of section 312 (c) of this Act.
15 If the Secretary determines that more than one-third of the
16 farmers voting oppose the national marketing quotas the
17 results shall be proclaimed and the national marketing quota
18 so proclaimed shall not be in effect. If the Secretary pro-
19 claims the quotas on an acreage-poundage basis he shall de-
20 termine and proclaim at the same time the national market-
21 ing quota, national acreage allotment, and national average
22 yield goal for the first year of the three years for which
23 quotas are proclaimed. Notice of the farm marketing quota
24 which will be in effect for his farm for the first marketing
25 year covered by the referendum insofar as practicable shall

1 be mailed to the farm operator prior to the holding of any
2 special referendum under subsections ~~(b)~~ or ~~(c)~~ or a refer-
3 endum on acreage-poundage quotas under this subsection
4 subsection (b) or a referendum on acreage-poundage quotas
5 under this subsection, and at least 15 days prior to the hold-
6 ing of any special referendum under subsection (c).”

7 The Secretary shall determine and announce the national
8 marketing quota, national acreage allotment and national
9 average yield goal for the second and third marketing years
10 of any three-year period for which national marketing quotas
11 on an acreage-poundage basis are in effect on or before the
12 December 1 with respect to Flue-cured tobacco and the Feb-
13 ruary 1 with respect to other kinds of tobacco immediately
14 preceding the beginning of the marketing year to which they
15 apply. Whenever a national marketing quota, national acre-
16 age allotment, and national average yield goal are deter-
17 mined and announced, the Secretary shall provide for the
18 determination of farm acreage allotments and farm marketing
19 quotas under the provisions of this section for the crop and
20 marketing year covered by the determinations.

21 “(e) No farm acreage allotment or farm yield shall
22 be established for a farm on which no tobacco was produced
23 or considered produced under applicable provisions of law
24 for the immediately preceding five years. For each market-
25 ing year for which acreage-poundage quotas are in effect

1 under this section the Secretary in his discretion may estab-
2 lish a reserve from the national acreage allotment in an
3 amount equivalent to not more than 1 per centum of the
4 national acreage allotment to be available for making cor-
5 rections of errors in farm acreage allotments, adjusting
6 inequities, and for establishing acreage allotments for new
7 farms, which are farms on which tobacco was not produced
8 or considered produced during the immediately preceding
9 five years. The part of the reserve held for apportionment
10 to new farms shall be allotted on the basis of land, labor,
11 and equipment available for the production of tobacco, crop
12 rotation practices, soil and other physical factors affecting
13 the production of tobacco and the past tobacco-producing
14 experience of the farm operator. The farm yield for any
15 farm for which a new farm acreage allotment is established
16 shall be determined on the basis of available productivity
17 data for the land involved and farm yields for similar farms,
18 *and shall not exceed the community average yield.*

19 “(f) Only the provisions of the last two sentences of
20 subsection (g) of section 313 of this Act shall apply with
21 respect to acreage-poundage programs established under this
22 section. The acreage reductions required under the last two
23 sentences shall be in addition to any other adjustments made
24 pursuant to this section, and when acreage reductions are
25 made the farm marketing quota shall be reduced to reflect

1 such reductions. The provisions of the next to the last
2 sentence of such subsection pertaining to the filing of any false
3 report with respect to the acreage of tobacco grown on the
4 farm shall also be applicable to the filing of any false report
5 with respect to the production or marketings of tobacco grown
6 on a farm for which an acreage allotment and a farm yield
7 are established as provided in this section. In establishing
8 acreage allotments and farm yields for other farms owned
9 by the owner displaced by acquisition of his land by any
10 agency, as provided in section 378 of this Act, increases or
11 decreases in such acreage allotments and farm yields as
12 provided in this section shall be made on account of market-
13 ings below or in excess of the farm marketing quota for the
14 farm acquired by the agency. Acreage allotments and farm
15 marketing quotas determined under this section may (*except*
16 *in the case of Burley tobacco, or other kinds of tobacco not*
17 *subject to section 316*) be leased under the terms and condi-
18 tions contained in section 316 of this Act, except that (1) the
19 adjustment provided for in the last sentence of subsection
20 (c) of said section shall be based on farm yields rather than
21 normal yields, and (2) any credit for undermarketing or
22 charge for overmarketing shall be attributed to the farm to
23 which transferred. *Transfers of acreage allotments for 1965*
24 *under section 316 on the basis of leases executed prior to the*
25 *effective date of a program for the 1965 crop of flue-cured*

1 tobacco under this section may be approved or ratified by the
2 county committee for the purposes of this section, but the
3 amount of allotment transferred shall be increased or de-
4 creased in the same proportion that the allotment of the
5 farm from which it is transferred is increased or decreased
6 under this section.

7 “(g) When marketing quotas under this section are in
8 effect, provisions with respect to penalties for the marketing
9 of excess tobacco and the other provisions contained in sec-
10 tion 314 of the Act shall apply, except that:

11 “(1) No penalty on excess tobacco shall be due or col-
12 lected until 110 per centum (*120 per centum in the case of*
13 *Burley tobacco*) of the farm marketing quota for a farm
14 has been marketed, but with respect to each pound of
15 tobacco marketed in excess of such percentage the full
16 penalty rate shall be due, payable, and collected at the time
17 of marketing on each pound of tobacco marketed, and any
18 tobacco marketed in excess of 100 per centum of the farm
19 marketing quota will require a reduction in subsequent farm
20 marketing quotas in accordance with paragraph (a) (8):
21 *Provided, however, If the Secretary, in his discretion, deter-*
22 *mines it is desirable to encourage the marketing of grade N₂*
23 *tobacco, or any grade of tobacco not eligible for price sup-*
24 *port, in order to meet the normal demands of export and*
25 *domestic markets, he may authorize the marketing of such*

1 tobacco in a marketing year without the payment of penalty
2 or deduction from subsequent quotas to the extent of 5 per
3 centum of the farm marketing quota for the farm on which
4 the tobacco was produced.

5 “(2) When marketing quotas established under this
6 section are in effect the provisions with respect to penalties
7 contained in the third sentence of subsection 314 (a) shall
8 be revised to read: ‘If any producer falsely identifies or fails
9 to account for the disposition of any tobacco, the Secretary,
10 in lieu of assessing and collecting penalties based on actual
11 marketings of excess tobacco, may elect to assess a penalty
12 computed by multiplying the full penalty rate by an amount
13 of tobacco equal to 25 per centum of the farm marketing
14 quota plus the farm yield of the number of acres harvested
15 in excess of the farm acreage allotment and the penalty in
16 respect thereof shall be paid and remitted by the producer.’

17 “(3) For the first year a marketing quota program estab-
18 lished under the provisions of this section is in effect, the
19 words ‘normal production’ where they appear in the fourth
20 sentence of subsection (a) of such section shall be read
21 ‘farm yield’ and the said fourth sentence shall otherwise be
22 applicable. For the second and succeeding years for which
23 a program established under the provisions of this section is
24 in effect, the provisions of subsection (a) (8) shall apply
25 when penalties, if any, on carryover tobacco are computed,

1 and the provisions contained in the fourth sentence of sub-
2 section 314(a) shall not be ~~applicable.~~ applicable.

3 “(h) Notwithstanding any other provision of this section,
4 for any year subsequent to the first year for which marketing
5 quotas are made effective under this section for Burley
6 tobacco—

7 “(1) the farm acreage allotment for Burley tobacco
8 under this section shall not be less than the smallest of
9 (A) the acreage allotment established for the farm for
10 such first year, (B) the acreage allotment established for
11 such first year for a farm which had an acreage allot-
12 ment of five-tenths of an acre for the year preceding such
13 first year, or (C) 10 per centum of the cropland; and

14 “(2) the farm marketing quota for Burley tobacco
15 under this section shall not be less than the minimum allot-
16 ment provided by clause (1) multiplied by the farm yield
17 established for such first year for such farm.

18 Farm acreage allotments and marketing quotas to which the
19 provisions of (1) and (2) are applicable shall be subject to
20 adjustment for overmarketing or undermarketing or reduc-
21 tions required by subsection (f). The additional acreage and
22 quotas required under this subsection shall be in addition to
23 the national acreage allotment and national marketing
24 quota.”

25 “(i) If an acreage-poundage program for Flue-cured

1 tobacco is approved by growers voting in the special referen-
2 dum under subsection (b), the Secretary shall not later than
3 January 1, 1966—

4 “(1) Consult with representatives of all segments of the
5 tobacco industry, including growers, State farm organizations,
6 and cooperative associations, in meetings held for each kind
7 of tobacco, to receive their recommendations and to determine
8 the need for a similar or modified program for that kind of
9 tobacco.

10 “(2) Conduct a study and report to the House Commit-
11 tee on Agriculture and the Senate Committee on Agriculture
12 and Forestry on experience with and operation of the pro-
13 gram, and make recommendations for any modifications
14 needed to improve the program, including alternatives adapted
15 to the different needs of other kinds of tobacco.”

16 SEC. 2. Subsection (j) of section 313 of the Agricultural
17 Adjustment Act of 1938, as added by Public Law 361, 84th
18 Congress, approved August 11, 1955, is amended by insert-
19 ing immediately following the language “(g) hereof”
20 wherever it appears in said subsection the language “or
21 section 317”.

22 SEC. 3. Section 106 of the Agricultural Act of 1949,
23 as amended, is amended by adding at the end thereof the fol-
24 lowing:

25 “(c) If acreage-poundage farm marketing quotas are in

1 effect under section 317 of the Agricultural Adjustment Act
2 of 1938, as amended, (1) price support shall not be made
3 available on tobacco marketed in excess of 110 per centum
4 (*120 per centum in the case of Burley tobacco*) of the
5 marketing quota for the farm on which such tobacco was
6 produced, and (2) for the purpose of price-support
7 eligibility, tobacco carried over from one marketing year to
8 another to avoid marketings in excess of the farm market-
9 ing quota shall, when marketed, be considered tobacco of
10 the then current crop."

Passed the House of Representatives March 23, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

MARCH 25, 1965

Read twice and referred to the Committee on
Agriculture and Forestry

APRIL 2, 1965

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business Postage and fees paid

U. S. Department of Agriculture

Issued April 6, 1965

For actions of April 5, 1965

89th-1st; No. 60

CONTENTS

Administrative provisions.....15	Food marketing.....16	Printing.....26
Appropriations.....17,18	Foreign aid.....47	Public works.....37,43
Conservation.....5,9,23,31	Foreign trade.....11,41	Rice.....1
Consumers.....36	Forestry.....19,26	River basin;.....4
Containers.....46	Housing.....25,42	School lunch.....6
Cropland adjustment.....1	Information.....26	Soil conservation.....5,9,23,31
Data processing.....4	Land.....45	Surplus property.....44
Economic development.....37	Legislative program.....14	Tobacco.....2,28,46
Education.....30	Manpower.....21,32	User charges.....23
Electrification.....24	Minerals.....19,27,40	Water.....34
Employment.....35	National Parks.....20	Water research.....39
Farm credit.....3	Nominations.....3	Wheat.....1,22
Farm labor.....10,29	Omnibus bill.....15	Wilderness.....19
Farm program.....1,22,38	Packaging.....13	Wild rivers.....4,8
Feed grain.....1,22	Physical fitness.....7	Wool.....1,46
Food for peace.....12	Pineapples.....6	
	Poverty.....33	

HIGHLIGHTS: Both Houses received President's farm bill. Several Senators discussed President's farm bill. Senate passed tobacco acreage-poundage bill. House passed: USDA administrative omnibus bill; bill to extend Food Marketing Commission; Treasury-Post Office-Executive Office appropriation bill. Rep. Findley criticized and Rep. Purcell commended farm bill. Sen. Ellender and Rep. Cooley introduced and discussed farm bill.

SENATE

1. FARM PROGRAM. Both Houses received the President's proposed farm bill; to Senate Agriculture and Forestry Committee and House Agriculture Committee (pp. 6759, 6677). In introducing the bill Sen. Ellender discussed it and inserted a summary of it. He stated: "...Title I would extend the voluntary wheat certificate program for 2 years with a few changes..." "...Title II of the bill would also extend the voluntary feed grain diversion program for 2 years with certain changes." "Title III contains a 2-year certificate

program for rice..." "Title IV would extend the Wool Act for 2 years with some minor changes." "Title V provides for a cropland adjustment program under which land would be taken out of production under longterm agreements with producers." "Title VI provides for transfer by sale, lease, or other means of acreage allotments, base acres, and sugar proportionate shares." Sen. Ellender expressed the hope that the Senate committee can begin hearings within 3 or 4 weeks. (pp. 6783-5 Sen. McGovern defended the proposed legislation (pp. 6739-40).

2. TOBACCO. Passed, 54-16, with amendments H. R. 5721, to provide for acreage-poundage marketing quotas for tobacco, which had been reported with amendments on Apr. 2 during adjournment (S. Rept. 145). Agreed to Jordan (N. C.) amendments of a "technical corrective nature", committee amendments as modified, and Talmadge amendment providing for apportionment of national marketing quotas for Flue-cured tobacco when such quotas have been effective for the previous year. Rejected a Talmadge amendment to postpone for 1 year the acreage-poundage program on Flue-cured tobacco and to put Flue-cured tobacco on the same basis as burley tobacco. pp. 6681, 6659-80, 6785-6, 6788-96, 6799
3. NOMINATIONS of R. Watkins Greene and Ralph K. Cooper to the Federal Farm Credit Board were confirmed. pp. 6681, 6801
4. COSPONSORS were added for S. 1446, Wild Rivers System; S. 1584, GSA controls regarding automatic data processing; and S. 1605, certain river basin plans for flood control. pp. 6685-6
5. SOIL CONSERVATION. Sen. Mansfield inserted a statement by Sen. Nelson, "The Threat to America's Soil Conservation Programs." pp. 6700-2
6. SCHOOL LUNCH PROGRAM; PINEAPPLES. Sen. Inouye spoke in support of the school lunch program and the importance of pineapples in this program. pp. 6702-3
7. PHYSICAL FITNESS. Sen. McGee spoke on the importance of physical fitness and commended the isometric rope. pp. 6711-13
8. WILD RIVERS. Sen. Church inserted an editorial favoring the proposed legislation for a Wild Rivers System. p. 6713
9. CONSERVATION. Sen. McGovern inserted and commended an address by Sen. Anderson commending various conservation programs. pp. 6725-7
10. FARM LABOR. Sen. McCarthy commended the record of Secretary Wirtz in connection with the Mexican farm labor program. p. 6740
11. FOREIGN TRADE. Sen. McCarthy inserted an address before the National Farmers' Union by Roger Savary explaining the work of the International Federation of Agricultural Producers. pp. 6740-1
12. FOOD FOR PEACE. Sen. Mondale inserted a statement by James G. Patton commending Vice President Humphrey for his efforts in connection with the food-for-peace program, etc. pp. 6744-5
13. PACKAGING. Sen. Mondale inserted letters he has received which criticize packaging by various companies. pp. 6746-7

Senate

MONDAY, APRIL 5, 1965

The Senate met at 11 o'clock a.m. and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, our Father, Thou art the shining presence at the high altar of our hearts, where blaze the candles of faith and hope and love.

Closing the doors of a noisy world, with all its terror and alarm, we would bow with contrite hearts at this shrine of quietness and peace, in communion with Thee, who hast made us for Thyself.

As before Thee we search our own hearts, we are shamed by what we are, yet lifted up by what is still within us to become. We confess the fickleness and folly which so often have disappointed us and Thee. Forgive us for smug satisfaction with ourselves and for cynical contempt of others. Purge our minds of the prejudices which separate us from others; cleanse our hearts of the uncleanness which blinds our eyes to Thee and to the godlike everywhere. Amidst all the busy shuttles of legislation, as here is woven the fabric of law and order shielding the life of our democracy, save us from being so enmeshed in the immediate mechanics of our tasks as to lose sight of the radiant pattern shown in the mount of vision.

In the dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 1, 1965, was dispensed with.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of April 1, 1965, the following reports of committees were submitted on April 2, 1965:

By Mr. STENNIS, from the Committee on Armed Services, with amendments:

S. 800. A bill to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation for the Armed Forces, and for other purposes (Rept. No. 144).

By Mr. JORDAN of North Carolina, from the Committee on Agriculture and Forestry, with amendments:

H.R. 5721. An act to amend the Agricultural Adjustment Act of 1938, as amended to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes; individual views filed (Rept. No. 145).

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on April 2, 1965, the President had approved and signed the act (H.R. 1496) to authorize the release of certain quantities of zinc, lead, and copper from either the national stockpile or the supplemental stockpile, or both.

REPORT OF OFFICE OF MINERALS EXPLORATION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the 13th Semi-annual Report of the Office of Minerals Exploration from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its territories and possessions, by encouraging exploration for minerals, and for other purposes."

LYNDON B. JOHNSON.

THE WHITE HOUSE, April 5, 1965.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment in which it requested the concurrence of the Senate:

S. 21. An act to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources, through the establishment of a water resources council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning; and

S. 974. An act to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes.

ORDER DISPENSING WITH CALL OF THE LEGISLATIVE CALENDAR UN- DER RULE VIII

On request by Mr. MANSFIELD, and by unanimous consent, the call of the Legislative Calendar under rule VIII was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request by Mr. MANSFIELD, and by unanimous consent, the Committee on Foreign Relations and the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs were authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Housing of the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session to consider the nominations on the Executive Calendar.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

FARM CREDIT ADMINISTRATION

The Chief Clerk proceeded to read sundry nominations for members of the Federal Farm Credit Board.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF THE ARMY

The Chief Clerk read the nomination of Stanley R. Resor, of Connecticut, to be Under Secretary of the Army.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. ARMY

The Chief Clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The Chief Clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the U.S. Marine Corps.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS AND ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I have not requested a morning hour because it was my understanding that certain Senators were to be present to discuss the migrant labor problem. I ask unanimous consent that until those Senators arrive, there be a morning hour, which very likely will be continued after they have finished, and that statements during the transaction of the routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROPOSED LEGISLATION RELATING TO DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize appropriations for the payment of rewards to facilitate the capture of fugitives from District of Columbia institutions and conditional release and parole violators (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmit-

ting a draft of proposed legislation relating to compensation of summer school personnel of the public schools of the District of Columbia (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize appropriations for the acquisition of land for the Washington Aqueduct by the Chief of Engineers, Corps of Engineers, U.S. Army (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act of July 11, 1947, to include members of the District of Columbia Fire Department, in the Metropolitan Police Department band, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

ACCEPTANCE OF SETTLEMENT OF CERTAIN INDEBTEDNESS OF GREECE TO THE UNITED STATES

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the acceptance of a settlement of certain indebtedness of Greece to the United States and to authorize the use of the payments resulting from the settlement for a cultural and educational exchange program (with accompanying papers); to the Committee on Foreign Relations.

PENALTIES FOR CERTAIN OFFENSES COMMITTED IN CONNECTION WITH HIGHWAY CONSTRUCTION

A letter from the Attorney General, transmitting a draft of proposed legislation to provide penalties for certain offenses committed in connection with highway construction (with an accompanying paper); to the Committee on the Judiciary.

AUDIT REPORT OF NATIONAL SAFETY COUNCIL

A letter from the president, National Safety Council, Chicago, Ill., transmitting, pursuant to law, an audit report of the financial transactions of that council, for the year 1964 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"HOUSE MEMORIAL 6 OF THE STATE OF NEW MEXICO

"Memorial requesting the Congress of the United States to enable a Federal survey of land grant areas in New Mexico

"Whereas land grant rights were recognized and given status, by the treaty entered at Ciudad Guadalupe Hidalgo on February 2, 1848, between the United States, which was and the United Mexican States, which was ratified at Queretaro on May 30, 1848; and

"Whereas land grant rights were recognized and protected by the Organic Act establishing the Territory of New Mexico and later by U.S. Courts of Land Claims; and

"Whereas land grants were purportedly the subject of a U.S. engineering-geographical survey, while actually land grants, particularly in Mora County, N. Mex., have never been surveyed; and

"Whereas grant lands, particularly in Mora County, without the benefit of a certain and accurate method of property description cannot be conveyed from primary holdings to smaller parcels or otherwise subdivided; and

"Whereas because of foreign and vague land descriptions, grant lands do not enjoy accurate and uniform property description based on Federal survey as do the lands of other former territories, and which is needed to confirm and protect real property titles and to facilitate economic development; and

"Whereas economic considerations preclude the possibility of grant land owners undertaking to conform grant land survey in New Mexico into the uniform Federal survey now extant: Now, therefore, be it

"Resolved by the House of Representatives of the State of New Mexico, That the Congress of the United States is asked to enable a Federal engineering-geographic survey of the grant lands in New Mexico, particularly those grant lands of Mora County; and be it further

"Resolved, That copies of this memorial be transmitted to the Congress, to the leadership in the Congress and to the New Mexico delegation to the Congress.

"BRUCE KING,

"Speaker, House of Representatives.

"ALBERT ROMERO,

"Chief Clerk, House of Representatives."

A joint resolution of the Legislature of the State of Arkansas; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 1

"Joint resolution applying to Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States

"Be it resolved by the Senate of the General Assembly of the State of Arkansas (the House of Representatives concurring therein), That this legislature respectfully applies to the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. Nothing in this Constitution shall prohibit any State which shall have a bicameral legislature from apportioning the membership of one house of such legislature on factors other than population, provided that the plan of such apportionment shall have been submitted to and approved by a vote of the electorate of that State.

"SEC. 2. Nothing in this Constitution shall restrict or limit a State in its determination of how membership of governing bodies of its subordinate units shall be apportioned.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress."

"Be it further resolved, That if Congress shall have proposed an amendment to the Constitution identical with that contained in this resolution prior to June 1, 1965, this application for a convention shall no longer be of any force or effect; be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of the Congress from this State.

"ROBERT HARVEY."

A joint resolution of the Legislature of the State of Nevada; to the Committee on the Judiciary:

"JOINT RESOLUTION OF THE STATE OF NEVADA

"Resolution requesting the Congress of the United States to propose an amendment to the Constitution of the United States permitting one house of a bicameral legislature to be apportioned other than according to population

"Whereas the Supreme Court of the United States has ruled that membership in both houses of a bicameral State legislature must

"(1) The term 'foreign principal' has the same meaning as when used in the Foreign Agents Registration Act of 1938, as amended, except that such term does not include any person who is a citizen of the United States.

"(2) The term 'agent of a foreign principal' means any person who acts as an agent, representative, employee, or servant, or any person who acts in any other capacity at the order, request, or under the direction or control of a foreign principal or of a person any substantial portion of whose activities are directly or indirectly supervised, directed, or controlled by a foreign principal."

(b) Chapter 11 of title 18, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 219. Officers and employees acting as agents of foreign principals

"Whoever, being an officer or employee of the United States in the executive, legislative, or judicial branch of the Government or in any agency of the United States, including the District of Columbia, is or acts as an agent of a foreign principal required to register under the Foreign Agents Registration Act of 1938, as amended, shall be fined not more than \$10,000 or imprisoned for not more than two years, or both.

"Nothing in this section shall apply to the employment of any agent of a foreign principal as a special Government employee in any case in which the head of the employing agency certifies that such employment is required in the national interest. A copy of any certification under this paragraph shall be forwarded by the head of such agency to the Attorney General who shall cause the same to be filed with the registration statement and other documents filed by such agent, and made available for public inspection in accordance with section 6 of the Foreign Agents Registration Act of 1938, as amended."

(c) (1) The sectional analysis at the beginning of chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"613. Contributions by agents of foreign principals."

(2) The sectional analysis at the beginning of chapter 11 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"219. Officers and employees acting as agents of foreign principals."

SEC. 9. This Act shall take effect ninety days after the date of its enactment.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. SMATHERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOOD AND AGRICULTURE ACT OF 1965

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of H.R. 5721, Calendar No. 135, the tobacco acreage-poundage bill.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 8, after the word "of", to strike out "excessive supplies in order to achieve the policy of the Act" and insert "supplies to the reserve supply level. Any such downward adjustment shall not exceed 10 per centum of such estimated utilization and exports"; on page 3, line 10, after the word "reserve.", to insert "In determining farm acreage allotments for flue-cured tobacco for 1965, the 1965 farm allotment determined under section 313 shall be adjusted in lieu of the acreage allotment for the immediately preceding year."; on page 4, line 2, after the word "in", to strike out "like manner, except that the five most recent crop years for which data are available shall be used instead of the period 1959 to 1963" and insert "the same manner"; in line 11, after the word "be", to strike out "the sum of 75 per centum of the average of the three highest years and 25 per centum of the national average yield goal but not less than"; on page 5, line 9, after "(6)", to strike out "except that in lieu of the five consecutive crop years beginning with 1959 the five most recent crop years for which data are available for the kind of tobacco shall be used"; on page 8, line 25, after the word "within", to strike out "thirty" and insert "forty-five"; on page 9, line 19, after the word "period.", to insert "If marketing quotas on an acreage-poundage basis are not approved by more than 66⅔ per centum of the farmers voting in such referendum, the marketing quotas on an acreage basis shall continue in effect as theretofore proclaimed under section 312(a)."; on page 11, line 2, after the word "under", to strike out "subsections (b) or (c) or a referendum on acreage poundage quotas under this subsection" and insert "subsection (b) or a referendum on acreage-poundage quotas under this subsection, and at least 15 days prior to the holding of any special referendum under subsection (c)."; on page 12, at the beginning of line 18, to insert "and shall not exceed the community average yield"; on page 13, line 15, after the word "may", to insert " (except in the case of Burley tobacco, or other kinds of tobacco not

subject to section 316)"; in line 23, after the word "transferred.", to insert "Transfers of acreage allotments for 1965 under section 316 on the basis of leases executed prior to the effective date of a program for the 1965 crop of flue-cured tobacco under this section may be approved or ratified by the county committee for the purposes of this section, but the amount of allotment transferred shall be increased or decreased in the same proportion that the allotment of the farm from which it is transferred is increased or decreased under this section."; on page 14, line 12, after the word "per centum", to insert "(120 per centum in the case of Burley tobacco)"; on page 16, line 2, after the word "be", to strike out "applicable," and insert "applicable."; after line 2, to insert:

(h) Notwithstanding any other provision of this section, for any year subsequent to the first year for which marketing quotas are made effective under this section for Burley tobacco—

(1) the farm acreage allotment for Burley tobacco under this section shall not be less than the smallest of (A) the acreage allotment established for the farm for such first year, (B) the acreage allotment established for such first year for a farm which had an acreage allotment of five-tenths of an acre for the year preceding such first year, or (C) 10 per centum of the cropland; and

(2) the farm marketing quota for Burley tobacco under this section shall not be less than the minimum allotment provided by clause (1) multiplied by the farm yield established for such first year for such farm. Farm acreage allotments and marketing quotas to which the provisions of (1) and (2) are applicable shall be subject to adjustment for overmarketing or undermarketing or reductions required by subsection (f). The additional acreage and quotas required under this subsection shall be in addition to the national acreage allotment and national marketing quota.

(i) If an acreage-poundage program for flue-cured tobacco is approved by growers voting in the special referendum under subsection (b), the Secretary shall not later than January 1, 1966—

(1) Consult with representatives of all segments of the tobacco industry, including growers, State farm organizations, and cooperative associations, in meetings held for each kind of tobacco, to receive their recommendations and to determine the need for a similar or modified program for that kind of tobacco.

(2) Conduct a study and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry on experience with and operation of the program, and make recommendations for any modifications needed to improve the program, including alternatives adapted to the different needs of other kinds of tobacco.

And, on page 18, at the beginning of line 4, to insert "(120 per centum in the case of burley tobacco)".

Mr. JORDAN of North Carolina. Mr. President, the tobacco program has often been referred to as the most successful farm program we have. For many years the present acreage allotment program for tobacco worked reasonably well in maintaining supplies in line with demand. Prices received by tobacco growers have been favorable. Costs to the Government for price supports on tobacco

co have been held to a minimum. In fact, for many years, price supports on tobacco operated with no costs at all to the Government. For a number of years, the steadily increasing demand for tobacco used in the manufacture of cigarettes tended to offset increased per acre yields. Also, prices trended upward, enabling the producer associations operating the support program to dispose of their holdings at prices which would enable them to repay their loans from CCC.

As a matter of fact, since 1933 the price support program costs to the Government amount to only \$39 million. On the other hand, since 1950 alone the taxes collected by Federal, State, and local governments amount to over \$39 billion.

In recent years, however excessive supplies of tobacco have accumulated because of accelerated increases in per acre yields on some kinds of tobacco, especially for Flue-cured and burley—which account for about nine-tenths of our total tobacco production. During the 5 years, 1954–58, Flue-cured tobacco yields average 1,509 pounds per acre. In 1964, Flue-cured yields are estimated to have averaged 2,203 pounds per acre, an increase of 46 percent. Similarly, the 1964 crop of Flue-cured tobacco was 5 percent larger than the 1954 crop, notwithstanding the fact that the acreage grown in 1964 was 40 percent less than the 1954 acreage.

The burley story is quite similar. Burley yields averaged 1,579 pounds per acre in 1954–58, but increased to an all-time high of 2,231 pounds per acre in 1963. Unfavorable weather conditions prevailed in parts of the burley-producing area in 1964 but yields still averaged over 2,000 pounds per acre—second only to the 1963 record.

It is clear that we have by no means reached the limit in yields per acre. Research conducted by both the Department and by the land-grant colleges clearly shows that further increases in per-acre yields are readily obtainable. The records of individual farm marketings which are maintained in the county ASCS offices disclose numerous instances of yields as high as 3,500 pounds per acre, with some running even higher.

With increased yields per acre, the quality of U.S. grown tobacco has deteriorated and we have lost more of the export market for our tobacco. All tobacco offered for sale on auction markets is graded by trained Federal graders. During the 5 years, 1946–50, 31.1 percent of Flue-cured tobacco marketed in the United States was placed in first, second, and third qualities by USDA inspectors. During the 5 years, 1956–60, only 14.4 percent was placed in the first three qualities. For the 1962 crop, only 10.3 percent, or about one-third as much as in 1946–50, was graded into the first, second, and third qualities. Since Government grade standards for Flue-cured tobacco were substantially revised in 1963, comparable data for the 1963 and 1964 crops are not available.

Tobacco grown in the United States over the years has been noted for its superior quality. It has been the hallmark

of quality in world tobacco trade. Historically, there has been a strong consumer preference for tobacco products made from U.S. leaf. High-quality cigarettes in most countries of the world have been made solely from U.S. leaf or blends of U.S. leaf with domestic or other imported leaf.

The United States has the soil, climate, research program, and know-how to produce tobacco far superior in quality to that produced in any other area of the world. U.S. leaf has excelled in nearly all phases of smoking and manufacturing qualities, including flavor and aroma.

Flue-cured tobacco has become of increasing importance in world tobacco trade since the end of World War II, and now accounts for around 50 percent of all free world tobacco exports of leaf tobacco. In spite of increased demand for flue-cured from world markets, the U.S. export level has remained relatively constant at about 450 million pounds annually. During this period, our competitors have been moving larger and larger quantities into world trade.

In 1950–54, an average of about 670 million pounds of flue-cured tobacco moved from free world countries. of this total, the U.S. share was about 66 percent. During 1955–59, when an average of nearly 780 million pounds were being exported by free-world countries, the U.S. share was 60 percent—a drop of 6 percent in that short period of time.

For 1960–64, the U.S. share was only a little over 50 percent, and based on preliminary data, the U.S. share in 1964 was only 45 percent.

Recognizing that unless some remedial action were taken, the National Tobacco Industry Advisory Committee, which, incidentally, is a 44-member group, representing all types of tobacco and all segments of the industry, formed specifically to advise the Secretary of Agriculture on tobacco matters, at its meeting during the period November 18 and 19, 1964, set up a task force to study the problem. Members of the task force were chosen from the Advisory Committee, land-grant colleges, and the U.S. Department of Agriculture.

A report was prepared and on January 15, 1965, the National Advisory Committee met to consider it.

The report of the task force dealt primarily with a proposal to stabilize production of tobacco by means of an acreage-poundage program. An acreage-poundage program would continue acreage allotments, and in addition apportion poundage quotas among growers. This would provide more effective adjustment of supplies in line with demand, and would provide greater incentive for quality improvement—an essential prerequisite if exports are to be expanded. The Advisory Committee thoroughly discussed the principal features of the proposed acreage-poundage program and unanimously recommended that the Department of Agriculture adopt this approach to the problem of stabilizing tobacco production. It was recognized that legislative authority was necessary before further steps could be taken.

The President, in part of his agricultural message to Congress on February 4, 1965, stated:

The tobacco program must also be reappraised this year. Yield increases, higher Government costs, deterioration in quality, and loss of foreign markets have weakened what has been a highly successful program.

Legislation is needed to authorize production and marketing limits on an acreage-poundage basis. Consideration should also be given to revisions in our programs which will make American tobacco more competitive in world markets.

Mr. President, I refer to the President's message to Congress on agriculture. Legislation authorizing the establishment of an acreage-poundage program for tobacco was introduced in both the Senate and House of Representatives. Hearings on this legislation have been held in Washington, and also in the Flue-cured tobacco producing areas—Flue-cured tobacco is the only kind of tobacco that would be affected in the 1965 crop year if the proposed legislation becomes law. The Under Secretary of Agriculture testified in favor of the proposed legislation authorizing an acreage-poundage program for tobacco at hearings held by the Senate and the House Agriculture Committee on February 9 and 11, respectively.

On March 23, 1965, H.R. 5721, a bill to provide for acreage-poundage marketing quotas for tobacco, and for other purposes, was passed by the House of Representatives and the bill in an amended form is now before the Senate.

The computation of acreage-poundage quotas is as follows:

Whenever acreage-poundage quotas are proclaimed, the Secretary would announce a national marketing quota equal to the amount to be utilized in the United States and exported during the marketing year, adjusted up or down as needed to maintain an adequate supply or to reduce supplies to the reserve supply level. The downward adjustment could not exceed 10 percent of such utilization and exports. The national quota would be apportioned in the following manner:

First. The national quota would be converted to a national acreage allotment on the basis of a "national average yield goal"—a yield which on a national average basis will improve or insure the usability of the tobacco and increase the net return per pound.

That means that the tobacco they would grow would be of better quality and bring a better price in the market.

Second. Farm acreage allotments would be established by adjusting the farm acreage allotments for the preceding year uniformly so that the total of the new allotments equals the new national acreage allotment—less a reserve of not to exceed 1 percent, which would be used to provide allotments for new farms and to correct errors and inequities.

Mr. President, in working with any of these formulas, there is always some error made in computation of inequities. Some new farms come into existence. The 1 percent was included here to take care of that problem.

I should also like to add at this particular point that a situation has been called to my attention by one or two farmers and there are probably several others—who this year bought new farms that they had never farmed before. However, the farms had tobacco allot-

ments on them. Sometimes the farmer who had owned the farm was not a very good farmer, or for some reason or other, did not fertilize properly or do a great many of the things that should have been done to insure an average yield that would be in line with the yield of his neighbors for the same quality of land.

I envision that this 1 percent could be used in terms of raising the allotment already made for the acreage, or perhaps a little extra acreage may be granted so that the production of the land would be in accordance with the average yield.

I hope the 1 percent will be used to work out the problem. There would be an inequity in the case of a farmer who had acquired a piece of land which he had not farmed himself, but which land did have an allotment on it.

Third. Actual adjusted yield figures would be determined for each farm and adjusted proportionately so that the final adjusted yield figures for old farms multiplied by their acreage allotments would equal the national marketing quota. These yield figures are prepared as follows:

First. A "preliminary farm yield" is determined. This is the average yield for the farm for the 3 highest years of the 5 years 1959-63—which is fair for the farmer—but not more than 120 percent of the community average yield or less than 80 percent of the community average yield.

Mr. President, that is an important phase of this particular piece of legislation. A farmer who did a good, high-grade, efficient job of farming could produce up to 120 percent of the yield average without being penalized. He could sell the crop, and an adjustment would be made in the following years. He would not be penalized in any way in the first year under this provision. If a farmer in that area were to produce less than 80 percent of his average yield, his allotment could be raised so that it could be equitable to that of like farms in the surrounding territory.

The bill was originally proposed on a county basis. We realized after hearings that a county basis was not entirely fair. We found some counties that had very fine soil in one end of the county and at the other end of the county they would possibly not have as good soil. There would be a vast difference in the poundage ratio in the acreage from one end of the county to the other.

Some counties are from 30 to 40 miles long. There could be a vast difference in the amount of rainfall. It was determined that this bill should be based on a smaller area, which would certainly be more fair to all the farmers in that area.

The community average yield is an average of the community yields for the 3 highest years of the 5 years 1959-63, but if the yield for any of the 3 highest years is less than 80 percent of the 3-year average, that year or years is eliminated from the computation of the average.

The reason that provision was placed in the bill is that there have been a great

many cases in which an area was declared to be a disaster area. This has occurred in the case of any crop produced, regardless of whether it is tobacco or some other crop. Sometimes there is a severe drought, a hurricane that destroys the crop, or there is exceptionally wet weather. Many things could happen. This provision would allow the farmers to figure their yield on a 3-year average. This would be equitable and fair to the producer, which is what the bill is designed to do all the way through.

Special provisions are made for counties with less than 500 acres of tobacco and farms with inadequate history. A county that has less than 500 acres of tobacco would be treated separately. That would be a very small acreage for that territory.

Second. The preliminary farm yield for each farm is multiplied by its allotment, and the products thus obtained for all old farms are totaled and divided by the national acreage allotment to obtain a weighted national average yield.

Third. The national average yield goal is divided by the weighted national average yield to obtain a national yield factor.

Fourth. The preliminary farm yield is multiplied by the national yield factor to determine the farm yield.

Finally, the farm yield thus obtained is multiplied by the acreage allotment to determine the farm marketing quota. If marketing quotas on an acreage-poundage basis were in effect for the preceding crop and the full quota for the preceding crop was not marketed, the current quota would be increased by the amount of the preceding quota which was not marketed, such increase not to exceed 100 percent.

I wish to elaborate on the particular phase of the problem to which I have just referred. As I said a while ago, there are cases—not numerous, I am glad to say, but there are cases—in which a disaster hits a particular farm. Perhaps the farmer's total crop is destroyed. That has happened. If that were the case, he could pick up all of that loss of yield and market it the next year without any penalties. In other words, if he suffered a penalty through an act of nature or something over which he had no control whatsoever, he would be protected. If he lost half of his crop, he could market 50 percent of it the next year, but in no case over 100 percent. He could not market 250 percent if he lost 100 percent.

If the preceding quota was exceeded, the current quota would be reduced by the amount of the excess, and if such excess exceeded the current quota, the balance of such excess would be deducted from the quota for the succeeding marketing year or years. In the case of Maryland tobacco and any other kind of tobacco for which the Secretary determines it impractical to make the adjustments for overmarketing and undermarketing in the year following such overmarketing or undermarketing, the adjustments would be made in the second succeeding year.

Under the existing law the entire production of the acreage allotment can be marketed without penalty. Under the

bill the farm quota will be something less than what can be produced on the acreage allotment. Since the farmer will not be able to produce the exact amount of the farm quota and no more, the bill permits him to market 110 percent of his quota—120 percent in the case of burley—without penalty or loss of price support. The excess will, however, be deducted from his farm quota for the following year.

It has been said, and it will be argued here this afternoon, that the referendum is coming very close to the planting season. That is quite true. It is said that some of the farmers may produce the exact quantity allotted to them, or perhaps 105 percent or 110 percent. If a farmer does, he will be able to market it without penalty, but that amount will be deducted from next year's marketing. It will be 120 percent on burley, because there will be no vote on burley until next year, to determine whether it is needed. It will be up to the Secretary to determine whether it is needed.

Mr. President, we have reached the point where remedial action must be taken in the tobacco production program. If action—and effective action—is not taken, then we are going to see the complete destruction of the program.

What has happened in the past 4 years is a dramatic illustration of how tobacco surplus stocks have already increased to proportions all out of reason. On January 1, 1962, the Flue-cured Tobacco Stabilization Corporation held 449 million pounds of tobacco.

I hope my colleagues will listen to this particular figure, because it is very revealing. I repeat: On January 1, 1962, the Flue-cured Tobacco Stabilization Corp. held 449 million pounds of tobacco.

In 1963, the figure jumped to 583 million pounds. In 1964, it increased to 699 million pounds, and on January 1 of this year, the figure had soared to 970 million pounds.

That is only a little short of 1 billion pounds of tobacco in excess of what we need.

In the short period of just 4 years, surplus stocks more than doubled. All of this is true in spite of the fact we have taken acreage reductions in the meantime.

We cannot allow this trend to continue if we expect to provide farmers with price supports for tobacco.

Mr. President, if price supports are taken away from tobacco, it will destroy the tobacco farmer and the economies of the regions where tobacco is grown.

Unless we establish an effective system of production controls, we can expect surplus stocks to increase in the future.

The bill we are now considering, H.R. 5721, will bring about effective controls and allow us to begin working off the surplus stocks in an orderly fashion.

The pending bill is designed to hold our production in line with what we consume at home and sell abroad, and, in addition, to try to work the 1-billion-pound surplus down, on the basis of about a 10-year program. That is approximately the aim of the pending bill. It is designed not to wreck the economies of the tobacco-growing areas of this

country. It would not result in dumping a tremendous amount of tobacco on market and thus destroy the price. Yet, at the same time, it is designed to reduce the surplus year by year.

Mr. President, the President of the United States, the Secretary of Agriculture, the National Advisory Committee, the House of Representatives, and the Senate Committee on Agriculture and Forestry all feel that the proposed bill will meet the challenge which now faces the entire tobacco industry. It is our hope and belief that the proposed program will work, and work well, to the benefit of tobacco producers. Their markets, both domestic and foreign, will be preserved—and more importantly, the price support benefits of the program will continue.

Following my remarks, Mr. President, I would like to insert in the RECORD the amendments adopted by the Senate committee and a section-by-section analysis of the bill.

Before doing so, however, I call attention to one amendment adopted by the committee. In all, we adopted 14 amendments to the House bill, most of which are technical in nature and deal largely with procedural problems.

The amendment to which I would like to call attention deals with the manner in which each individual farm allotment would be computed. Under the bill as approved by the House, individual farm quotas could exceed the average township or community yield by more than 120 percent. Under the formula in the House version, very little cutback in production would be required of those farmers who have engaged in excessively heavy production.

The Senate committee amendment would put an upward ceiling on all producers, and would limit their poundage quotas, based on past production, to 120 percent of the township or community yield. In other words, Mr. President, all farmers would be treated exactly alike on the formula, in excess of the quota or average yield which they have had in the past.

At this point, Mr. President, I ask unanimous consent that a description of the committee amendments and a section-by-section analysis of the bill be printed in the RECORD.

The PRESIDING OFFICER (Mr. MONTROYA in the chair). Without objection, it is so ordered.

The description and analysis are as follows:

COMMITTEE AMENDMENTS

The amendments recommended by the committee, which are generally of a technical nature, would—

1. Prevent downward adjustment of the national marketing quota under section 317(a) either (i) by more than 10 percent of estimated domestic consumption and exports, or (ii) so as to reduce supplies below the reserve supply level.

2. Provide for use of the 1965 (instead of 1964) farm acreage allotment in computing the 1965 Flue-cured farm acreage allotment for the purpose of the acreage-poundage quotas.

3. Provide that the "community average yield" shall be determined in the same manner and using the same base period for all kinds of tobacco.

4. Make 120 percent of the community average yield the upper limit on preliminary farm yields, striking out the alternative upper limit based on 75 percent of the farm yield and 25 percent of the national yield goal.

5. Provide for use of the same base period 1959-63 in determining preliminary farm yields for all kinds of tobacco.

6. Permit the Secretary to conduct the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965) as long as 45 days after proclamation of the quota.

7. Make it clear that quotas on an acreage continue in effect if quota on an acreage-poundage basis are disapproved under section 317(c).

8. Provide that insofar as practicable notices of farm marketing quotas shall be mailed at least 15 days prior to the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965).

9. Limit the farm yield for new tobacco farms to not more than the community average yield.

10. Make it clear that the bill does not grant authority for leasing allotments for burley or other tobacco not now covered by section 316.

11. Provide for increasing acreage allotments transferred prior to the date the acreage-poundage quotas become effective for 1965 in the same proportion that acreage allotments are increased for 1965 under the acreage-poundage provisions.

12. Provide that in the case of burley tobacco, the amount which may be marketed without penalty and be accorded price support shall be 120 (instead of 110) percent of the farm marketing quota.

13. Preserve the minimum allotments now provided for burley tobacco. Farms, at the present minimum when acreage-poundage quotas become effective could not have their allotments or quotas subsequently reduced below the allotments and quotas first established for them under the acreage-poundage system. Farms with allotments above the minimum when acreage-poundage quotas first become effective could not be reduced below farms which were then at the minimum.

14. Provide that if acreage-poundage quotas are approved for the 1965 Flue-cured crop, the Secretary will consult with representatives of the tobacco industry concerning each kind of tobacco, conduct a study, and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry, recommending any modifications needed to improve the program and adopt it to other kinds of tobacco.

SECTION-BY-SECTION ANALYSIS

Section 1: Section 1 adds a new section 317 to the Agricultural Adjustment Act of 1938, as amended. An analysis of section 317 follows:

Subsection (a) contains the definitions of "national marketing quota," "national average yield goal," "national acreage allotment," "farm acreage allotment," "community average yield," "preliminary farm yield," "farm yield," and "farm marketing quota." These definitions are necessary because some of the terms have not been heretofore used in the act and other terms have a different meaning under the program provided for in section 317 than they have under the tobacco programs now provided for in the act.

The committee has recommended several amendments to this section.

The definition of "national marketing quota" differs from the definition in the House bill in that the Secretary would not have authority to fix the quota below the amount needed to maintain supplies at the reserve supply level nor to determine the

quota in an amount which represents more than a 10-percent reduction in the estimated domestic consumption and exports. The definition of "community average yield" provides for the use of the base period 1959-63 for all kinds of tobacco rather than for Flue-cured tobacco only as provided in the House bill. The definition of "preliminary farm yield" provides for reducing the average yield for the 3 highest years of the base period to 120 percent of the community average yield if the 3-year average is in excess of 120 percent of the community average yield. Under the House bill the reduction would be to a yield determined by adding 75 percent of the 3-year average to 25 percent of the national average yield goal but not below 120 percent of the community average yield. The base period of 1959-63 would be used in determining preliminary farm yields for all kinds of tobacco. In the House bill this base period is required to be used only for Flue-cured tobacco. In determining farm acreage allotments for Flue-cured tobacco for 1965, since allotments under the present program have been issued for 1965 those allotments would be adjusted instead of the allotments for the preceding year as will be the case for years after 1965.

Subsection (b) is designed to give Flue-cured tobacco growers an opportunity to vote on acreage-poundage quotas for 3 years beginning with the 1965 crop. The Secretary would be required within 30 days after the enactment of the bill into law to determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco in accordance with the provisions of this section. Within 30 days after the announcement of the national marketing quota the Secretary would be required to conduct a special referendum of farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in section 317 for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967. If the Secretary determines that more than 66⅔ percent of the farmers voting in the special referendum approve marketing quotas on acreage-poundage basis then marketing quotas on an acreage-poundage basis would be in effect for the 3 marketing years and the marketing quotas for Flue-cured tobacco which are now in effect on an acreage basis would cease to be in effect beginning on July 1, 1965. If the Secretary determines that marketing quotas on an acreage-poundage basis were not approved by more than 66⅔ percent of the farmers voting in the special referendum, then no quotas on an acreage-poundage basis would be in effect and the marketing quotas on an acreage basis which have been previously proclaimed and received producer approval would remain in effect.

Subsection (c) contains the provisions for making effective marketing quotas for 3 marketing years on an acreage-poundage basis for any kind of tobacco, including Flue-cured tobacco. The Secretary can only proceed under the provisions of subsection (c) during the first or second marketing year of the 3-year period for which marketing quotas on an acreage basis are in effect for the kind of tobacco under consideration. It is the purpose of this provision to not leave the tobacco grower without a program if acreage-poundage quotas are not approved. If the Secretary, in his discretion, determines that acreage-poundage quotas under section 317 would result in a more effective marketing quota program for the kind of tobacco under consideration, he shall, at the time of the next announcement of the amount of the national marketing

quota under section 312(b) of the act, also determine and announce the amount of the national quota for the kind of tobacco under the provisions of section 317 and at the same time announce the national acreage allotment and national average yield goal. Within 45 days thereafter he would conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop, in order to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis for the next 3 marketing years. If the Secretary determines that more than 66⅔ percent of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, quotas on that basis will be in effect for the next 3 marketing years and marketing quotas on an acreage basis shall cease to be in effect at the beginning of the first marketing year of the 3-year period. However, if he determines that the required number of farmers do not favor quotas on an acreage-poundage basis the marketing quotas on an acreage basis which have been proclaimed and received, the requisite farmer approval will not be affected.

Subsection (d) provides for the procedure to be followed if marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis. In the last year of the 3-year period the Secretary would proclaim a marketing quota for the next 3 succeeding marketing years and, in his discretion, would proclaim it either on an acreage-poundage basis or an acreage-allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco. A referendum would then be conducted under the provisions of section 312(c) of the act and if the Secretary determined that more than one-third of the farmers voting opposed national marketing quotas, the national marketing quota so proclaimed would not be in effect. No marketing quotas of any kind would be in effect for the ensuing marketing year. However, marketing quotas on an acreage basis could be proclaimed in the ensuing marketing year for the 3 marketing years following the ensuing marketing year under the provisions of section 312(a)(4).

In a referendum held pursuant to subsection (c) insofar as practicable notice of the farm marketing quota for the first year affected by the referendum would be required to be mailed to the farm operator at least 15 days prior to the date of the referendum. In other cases the notices would be mailed insofar as practicable prior to the referendum but the target of 15 days' notice would not be applicable.

Subsection (e) provides that no farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding 5 years. However, provision is made for a reserve of 1 percent or less of the national acreage allotment to be available for making corrections of errors in farm acreage, adjusting inequities, and for establishing acreage allotments for new farms which are farms on which tobacco was not produced or considered produced during the immediately preceding 5 years.

The farm yield for a new farm would be determined on the basis of available productivity data for the land involved and the farm yield for similar farms but could not exceed the community average yield.

Subsection (f) provides that only the last two sentences of subsection (g) of section 313 of the act will apply to acreage-poundage programs. These two sentences contain provisions relating to false identification in the marketing of tobacco, the filing of false acreage reports, and the double cropping of tobacco. The provision with respect to filing false acreage reports is made applicable to

the filing of false production or marketing reports. The subsection also provides that in transferring allotments under the eminent domain provisions of section 378 of the act increases or decreases in acreage allotments and farm yields on account of marketings below or in excess of the farm marketing quota for the farm acquired by the eminent domain agency will be taken into account. The leasing provisions of section 316 of the act are made applicable to the acreage-poundage program except that adjustments will be based on farm yields rather than normal yields and credit for undermarketing or charges for overmarketing shall be attributed to the farm to which the allotment is transferred under the leasing arrangement.

If an acreage-poundage program becomes effective for 1965 for Flue-cured tobacco, transfers based on leases executed prior to the effective date of the program would be recognized. However, the acreage transferred would be increased or decreased in the same proportion that the allotment for the farm from which the transfer is made is increased or decreased. This could result in a transfer for 1965 which would exceed the 5-acre or 50-percent-of-cropland limitation contained in section 316. The leasing provisions would not be extended to burley or any other kind of tobacco to which section 316 does not apply.

Subsection (g) provides that the penalty provisions of section 314 of the act shall apply to the acreage-poundage program, except that no penalty will be due or collected until 110 percent of the farm marketing quota has been marketed in the case of all kinds of tobacco except burley and 120 percent has been marketed in the case of burley, but thereafter each pound marketed in excess of the applicable percentage will be subject to the full penalty rate. Marketings in excess of 100 percent of the farm marketing quota will require a reduction in subsequent farm marketing quotas in accordance with paragraph (a)(8) of section 317. The Secretary is given discretionary authority to provide that grade N₂ tobacco or any grade of tobacco not eligible for price support may be marketed without penalty or deduction from subsequent quotas to the extent of 5 percent of the farm marketing quota for the farm on which the tobacco was produced. If under the acreage-poundage program any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 percent of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment. The penalty would be paid and remitted by the producer and would be in lieu of penalties based on actual marketings of excess tobacco. For the first year that a marketing quota program on an acreage-poundage basis is in effect the carryover provisions appearing in the fourth sentence of subsection (a) of section 314 would be amended by substituting "farm yield" for normal production. The carryover provisions of section 314 would not be applicable after the first year because of the provisions of subsection (a)(8) of section 317 which provides for an adjustment in the quota for overmarketings or undermarketings.

Subsection (h) provides for minimum farm acreage allotments and marketing quotas for old burley tobacco farms. Since the effects of the minimum provisions of the present law would be reflected in the farm acreage allotments established for the first year of an acreage-poundage program, allotments for the first year for burley tobacco would be determined under the procedure applicable to other kinds of tobacco. However, for years subsequent to the first year this subsection

would require a determination of the acreage allotment, without adjustment from the reserve, established for the first year for a farm with an allotment of five-tenths of an acre for the year immediately preceding the first year. This would constitute a standard, to replace the present five-tenths of an acre standard. The minimum allotment for any farm after the first year would then be the smallest of that amount, the acreage allotment established for such farm the first year, or 10 percent of the cropland. The farm would also receive a minimum marketing quota in years subsequent to the first year equal to the product of the farm yield for the first year and the minimum allotment. The minimum allotments and marketing quotas would be subject to adjustments for overmarketing or undermarketing and to reductions for violations.

Subsection (i) would be operative only if an acreage-poundage program becomes effective on Flue-cured tobacco in 1965. In that event the Secretary would be required to hold meetings prior to January 1, 1966, with the tobacco industry with respect to each kind of tobacco to receive recommendations and to determine the need for similar or modified programs for such kinds of tobacco. He would also be required to conduct a study and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry on experience with and operation of the Flue-cured program and to make recommendations with respect thereto for Flue-cured tobacco and for programs for other kinds of tobacco. The report would have to be filed prior to January 1, 1966.

Section 2: Section 313(j) of the act, as added by Public Law 361, 84th Congress, approved August 11, 1955, provides that the production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible as an old farm but that such production would not make the farm ineligible for a new farm allotment. Section 2 amends this subsection to make it apply to the acreage-poundage program under section 317.

Section 3: Section 3 amends section 106 of the Agricultural Act of 1949 which contains price-support provisions for tobacco. A new subsection (c) is added which provides that price support shall not be made available on tobacco marketed in excess of 110 percent (120 percent in the case of burley) of the marketing quota for the farm when acreage-poundage quotas are in effect. It also provides that for the purpose of price support, eligible tobacco carried over from one marketing year to another to avoid marketings in excess of the farm marketing quota on an acreage-poundage basis shall, when marketed, be considered tobacco of the then current crop. The overall provision—that tobacco grown on a farm on which the acreage allotment is knowingly exceeded would not be eligible for mandatory price support—would apply to the acreage-poundage program.

Mr. JORDAN of North Carolina. Mr. President, there are three typographical errors in punctuation in the committee amendments as set out in the report of the bill. In order to correct them on behalf of the committee, I move to modify the committee amendments as follows:

On page 5, line 9, after the word "specifically" insert a period.

On page 11, line 6, strike out the quotation marks.

On page 16, line 24, strike out the quotation marks.

The PRESIDING OFFICER. Without objection, the amendments will be modified accordingly.

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc and that the bill, as amended, be considered original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and, without objection, the amendments are agreed to en bloc.

Mr. ERVIN. Mr. President, I ask unanimous consent that the Senator from North Carolina [Mr. JORDAN] may yield to me for an observation and a statement, with the understanding that he shall not lose his right to the floor.

The PRESIDING OFFICER. Does the Senator from North Carolina [Mr. JORDAN] yield to the Senator from North Carolina [Mr. ERVIN]?

Mr. JORDAN. I am delighted to yield to my colleague.

Mr. ERVIN. I congratulate and commend my colleague upon his clear analysis and explanation of the bill, and associate myself with his remarks. I also wish to congratulate and commend him on the fine work he has done in connection with the proposed legislation.

I thank the Senator for yielding to me.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TALMADGE. Mr. President—

The PRESIDING OFFICER. The Senator from Georgia is recognized.

AMENDMENT NO. 60

Mr. TALMADGE. Mr. President, I call up my amendment No. 60 and ask unanimous consent that reading of the amendment be dispensed with, but that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following: "That the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after section 313 the following:

"APPORTIONMENT OF NATIONAL MARKETING QUOTA FOR FLUE-CURED TOBACCO WHEN MARKETING QUOTAS HAVE BEEN EFFECTIVE FOR THE PRECEDING MARKETING YEAR

"SEC. 313A. (a) Notwithstanding the provisions of section 313 (except subsections (d) and (i)), if marketing quotas were effective for Flue-cured tobacco for the preceding marketing year, the national marketing quota established pursuant to the provisions of section 312 for any marketing year for Flue-cured tobacco, less the amount to be allotted under subsection (b), shall be apportioned by the Secretary among farms on the basis of their farm bases. The base for each farm shall be computed by subtracting one-fifth of the amount of tobacco produced on such farm and sold, pledged, or mortgaged to the Commodity Credit Corporation under the price-support program for the most recent marketing year for which such information is available as to all farms from—

"(i) the product of the farm's acreage allotment for such preceding marketing year multiplied by the normal yield for the farm, if acreage allotments were established for such preceding marketing year, or

"(ii) the farm's marketing quota for such preceding marketing year, if acreage allotments were not established for such preceding marketing year.

"(b) The Secretary shall provide, through local committees, for the allotment of not in excess of 5 per centum of the national marketing quota (1) to farms not receiving marketing quotas under subsection (a), and (2) to increase allotments to small farms on the basis of the following: Land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That farm marketing quotas established pursuant to clause (1) of this subsection shall not exceed 75 per centum of the farm marketing quotas established pursuant to subsection (a) of this section for farms which are similar with respect to the following: Land, labor, and equipment available for the production of tobacco, crop-rotation practices, and the soil and other physical factors affecting the production of tobacco.

"(c) The farm marketing quota established under the foregoing provisions of this section for any farm for any marketing year shall be increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year is less than or exceeds the farm marketing quota for such preceding year: *Provided*, That the farm marketing quota for any marketing year shall not be increased for undermarketing by an amount in excess of the farm marketing quota for such year established without regard to the provisions of this subsection. If on account of excess marketings in the preceding marketing year the farm marketing quota for any marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota shall be increased or decreased for the second succeeding marketing year in the case of Maryland tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year. Increases or decreases in farm marketing quotas or farm acreage allotments resulting from the application of this subsection shall not be taken into account in computing farm bases for succeeding marketing years.

"(d) The Secretary may, on the basis of the normal yield for the farm convert each farm marketing quota determined under this section in to a farm acreage allotment. In such case the actual production of such acreage allotment (in lieu of the farm marketing quota determined under subsection (a), (b), or (c)) shall be the farm marketing quota.

"(e) If any amount of tobacco shall be marketed as having been produced on any farm which in fact was produced on a different farm, the acreage allotments next established (or marketing quotas if acreage allotments are not established) for both such farms shall be reduced by that percentage which such amount was of the respective farm marketing quota, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary or if any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the acreage or production of tobacco grown on the farm required by regulations issued pursuant to this Act, the acreage allotment next established (or marketing quota if acreage allotments are not established) for the farm on which such tobacco is produced shall be reduced by a per-

centage similarly computed. If in any calendar year for which acreage allotments are established more than one crop of tobacco is grown from (1) the same tobacco plants or (2) different tobacco plants, and is harvested for marketing from the same acreage on a farm, the acreage allotment next established (or marketing quota if acreage allotments are not established) for such farm shall be reduced by an amount equivalent to the acreage from which more than one crop of tobacco has been grown and harvested (or equivalent to the amount by which the production of such acreage exceeded its normal production)."

SEC. 2. The heading of section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"APPORTIONMENT OF NATIONAL MARKETING QUOTA WHEN SECTION 313A IS NOT APPLICABLE"

SEC. 3. This Act shall be effective beginning with the 1966 crop.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Florida [Mr. HOLLAND] be listed as a co-sponsor on this substitute amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, the tobacco program under the Agricultural Adjustment Act of 1938 for many years served its purpose well. However, in the past few years, it has become increasingly apparent that the program was not serving the purpose of reducing the supply of tobacco on hand and keeping the supply of tobacco in line with demand. The factors which have caused the supply of tobacco to exceed demand are many. In the tobacco industry itself, there is wide disagreement as to what factors are primarily responsible for the crisis with which we are now faced in the tobacco program.

Over the past several years, several cuts in quotas have been put into effect in an effort to bring supply in line with demand. However, it is conceded by all concerned that the cuts in quotas have not been effective. The history of the program shows that as the United States cut the quotas on tobacco production the production cuts were more than offset by foreign production. In the period of 1950 through 1954, the total U.S. production was 1,332 million pounds, and the total foreign production was 1,210 million pounds. Thus, the United States was outproducing the combined foreign production by some 122 million pounds. By 1962, the picture had changed drastically, with the total U.S. production being 1,400 million pounds, and the combined total foreign production had increased to 2,098 million pounds, thus making the total foreign production exceed the U.S. production by 698 million pounds. Approximately 40 percent of the Flue-cured tobacco is grown for the export markets. If the present program is continued, it is an undisputable fact that the American tobacco farmers will lose all of the export market, necessitating further cuts of such drastic proportions as to wipe out the small tobacco farmer and create havoc throughout the tobacco industry.

It has long been contended by segments of the tobacco farmers that the current tobacco program was not ad-

ministered on an equitable basis and that the administration of the program encouraged the production of tobacco which was not desired by the tobacco companies and which the tobacco companies refused to buy to such an extent that today the Commodity Credit Corporation holds approximately 961 million pounds of Flue-cured tobacco for which no market can be found. In passing, I might point out that of this 961 million pounds of Flue-cured tobacco held by the Commodity Credit Corporation, only some 17 million pounds is type 14 Flue-cured tobacco. The statistics of the U.S. Department of Agriculture show that for some time there has been a wide variation amongst the types of Flue-cured tobacco as to those types which find ready buyers on the open market and those types which the buyers on the open market refuse to purchase and which must be placed in the surplus held by the Commodity Credit Corporation. As examples, during the 17-year period from 1946 through 1963 a total of 163 million pounds of type 14 tobacco was placed under the Government loan, while in the year 1963 alone 129.1 million pounds of type 11-a Flue-cured tobacco was placed under the loan. As of January 1, 1957, 104.3 million pounds of type 11-a tobacco

was held in Stabilization Corporation and this increased to 271.9 million pounds as of January 1, 1964. On the other hand, as of January 1, 1957, there was 33.2 million pounds of type 14 Flue-cured tobacco on hand, but by January 1, 1964, this had decreased to 16.8 million pounds. Further, during the 1963 tobacco marketing year only 2.8 percent of the tobacco marketed as type 14 Flue-cured tobacco was placed under the Government loan while at the same time 12.2 percent of type 13, 14.2 percent of type 12, 21.7 percent of type 11-b, and 43.6 percent of type 11-a Flue-cured tobacco were placed under the Government loan. The statistics of the U.S. Department of Agriculture make it abundantly clear that something is drastically wrong with the present tobacco control program and that emergency action by Congress is demanded.

Mr. President, I ask unanimous consent to have printed in the RECORD a table prepared by the Department of Agriculture for the years 1946 through 1963 and published in the Flue-Cured Tobacco Auction Market & Producing Areas.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*The percent of Flue-cured tobacco placed under Government loan, from 1946 to 1963—
Based on producer sales*

Marketing season	Georgia- Florida, type 14	South Carolina border, type 13	Eastern Belt, North Carolina, type 12	Middle Belt, North Carolina, type 11B	Old Belt, North Carolina and Vir- ginia, type 11A
1946		2.2	0.7	3.9	16.7
1947	16.1	15.6	10.2	17.2	34.6
1948	3.9	7.5	6.0	11.2	20.0
1949	14.2	10.4	4.7	6.8	14.0
1950	4.0	2.5	4.4	7.8	12.3
1951	9.7	11.1	5.9	9.3	15.7
1952	4.0	7.8	12.5	12.0	20.3
1953	3.2	3.5	3.6	18.4	41.0
1954	5.0	9.9	8.2	11.1	15.5
1955	16.1	26.0	25.1	14.6	10.7
1956	8.1	20.8	26.8	30.4	21.1
1957	1.0	4.0	6.7	16.4	27.1
1958	2.0	15.1	13.5	12.6	18.1
1959	1.2	4.5	2.3	5.8	12.1
1960	1.4	3.2	4.6	3.4	6.8
1961	4.1	2.8	8.1	4.2	7.1
1962	2.6	10.8	16.5	20.4	32.2
1963 ¹	2.8	12.2	14.2	21.7	43.6
Average	5.8	9.4	9.7	12.6	20.5

¹ Based on gross sales.

² 17-year average.

³ 18-year average.

Source of information: March 1963 issue Tobacco Market Review, p. 38, USDA-AMS Tobacco Division. 1963 data from Tobacco News Letter, USDA-AMS, Tobacco Division.

Mr. TALMADGE. Mr. President, the farmers throughout the Flue-cured tobacco belt are duly alarmed over the present crisis and are looking to the leadership of Congress to provide a speedy and equitable solution to the complex tobacco problem. The problem is so acute that tobacco farmers in Georgia and Florida have already gone into Federal court seeking relief from the inequities in the administration of the present tobacco program. These farmers have been successful with their litigation in the U.S. district court, as well as the U.S. Circuit Court of Appeals for the Fifth Circuit.

I ask unanimous consent that there may be printed in the RECORD at this point the decision of the Fifth Circuit

Court of Appeals of the U.S. Court of Appeals in the case of Orville Freeman, Secretary of Agriculture, versus Darius N. Brown, et al. It is dated February 26, 1965.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

U.S. COURT OF APPEALS FOR THE FIFTH CIRCUIT—ORVILLE FREEMAN, SECRETARY OF AGRICULTURE OF THE UNITED STATES OF AMERICA, APPELLANT, v. DARIUS N. BROWN, ET AL., APPELLEES—No. 21583

(Appeal from the U.S. District Court for the Southern District of Georgia, before Brown and Bell, circuit judges, and Spears, district judge, Feb. 26, 1965)

Circuit Judge BELL. This is an appeal by the Secretary of Agriculture from an order

of the district court permanently enjoining him from enforcing a cut in acreage allotments on type 14 Flue-cured tobacco for the 1964-65 tobacco marketing year below allotments for the 1963-64 marketing year. Plaintiffs, appellees here, are tobacco farmers and producers of type 14 Flue-cured tobacco. The basis of their class action against the Secretary was that he had failed and refused to treat type 14 as a separate kind of tobacco in arriving at the marketing quotas on which the acreage allotments were based, but had grouped it with all other types of Flue-cured tobacco. The complaint consisted of two counts; the first in the nature of a petition for mandamus, and the other for declaratory judgment. The district court followed generally the prayers of the count for declaratory judgment in granting the injunction. The prayer of the mandamus count was for an order compelling the Secretary to discharge his statutory and regulatory duties with regard to setting marketing quotas and acreage allotments on the type of tobacco in question. It was claimed that he failed to use the latest available statistics in making the determination in issue.

The Secretary moved to dismiss the complaint, or in the alternative for summary judgment. Appellees also moved for summary judgment. Each motion for summary judgment was supported by affidavits, and appellees offered the testimony of a marketing inspector for the Georgia Department of Agriculture. The motions of the Secretary to dismiss and for summary judgment were overruled. The motion of appellees was granted and the injunction which forms the subject matter of this appeal was entered.

THE ISSUES PRESENTED

There are three issues for consideration. First, it is urged that the district court did not have jurisdiction over the subject matter of the action. Second, the Secretary says, even assuming jurisdiction, he would be entitled to judgment as a matter of law because the Agriculture Adjustment Act does not permit the Secretary to constitute a type of tobacco as a separate kind of tobacco for a single year of the 3-year period for which marketing quotas and acreage allotments based thereon have been set. The relief sought was for the last year of such a 3-year period. Lastly, assuming both jurisdiction and requisite authority, it is contended that the determination by the Secretary not to treat type 14 Flue-cured tobacco as a separate kind of tobacco for the year in question was regularly made and supported by substantial evidence.

STATUTORY BACKGROUND

The duty of the Secretary to set marketing quotas, and from these to set tobacco acreage allotments arises under the Agricultural Adjustment Act of 1938, as amended, 7 U.S.C.A., section 1282 et seq. This act, 7 U.S.C.A., section 1301(b)(15) provides as follows:

"Tobacco" means each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

"Flue-cured tobacco, comprising types 11, 12, 13, and 14;

"The provisions of this subchapter shall apply to each of such kinds of tobacco severally: *Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a 'kind of tobacco' for the purposes of this chapter * * * if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketing thereof in order to maintain supplies in line with demand: * * *

It also provides, 7 U.S.C.A., section 1301(c), that:

"The latest available statistics of the Federal Government shall be used by the Secre-

tary in making the determination required to be made by the Secretary under this chapter."

The determinations to be made are set out in 7 U.S.C.A., section 1312(a) (1) (2):

"(a) The Secretary shall, not later than December 1 of any marketing year with respect to Flue-cured tobacco, * * * proclaim a national marketing quota for any kind of tobacco for each of the next three succeeding marketing years whenever he determines with respect to such kind of tobacco—

"(1) that a national marketing quota has not previously been proclaimed and the total supply as of the beginning of such marketing year exceeds the reserve supply level therefor;

"(2) that such marketing year is the last year of 3 consecutive years for which marketing quotas previously proclaimed will be in effect; * * *

The Secretary is directed to issue what is called a national marketing quota for a 3-year period. Within 30 days after the Secretary has issued that quota he is required to conduct a referendum of the affected farmers to determine whether they favor such quota for the 3-year period. 7 U.S.C.A., 1312(c). After the setting of the quota, i.e., the 3-year quota, and prior to the referendum, the Secretary must announce the part of the 3-year marketing quota to be in effect for the next year. 7 U.S.C.A., 1312(b). The quotas for each of the next 2 years are set at the end, respectively, of the first and second marketing year. And apparently the 3-year quota is an estimate, the whole of which may or may not be allowed by the Secretary over the course of the 3 years, depending upon supply and demand.

The Tobacco Stocks and Standards Act of 1929, as amended, 7 U.S.C.A., 501, authorizes and directs the Secretary to collect and publish statistics relating to the quantities of leaf tobacco in all forms and types owned by or in the possession of persons other than the original growers of tobacco. The statistics are to be summarized quarterly with an annual report to be issued. This act also makes it mandatory upon the Secretary to establish standards for the classification of leaf tobacco by types. 7 U.S.C.A., 502. These standards were established in 1929 in Service and Regulatory Announcement No. 118, 7 CFR 30.1 et seq. This announcement provides in pertinent part as follows:

Section 30.5. "Class—One of the major divisions of leaf tobacco based on the distinct characteristics of the tobacco caused by differences in varieties, soil, and climate conditions, and the methods of cultivation, harvesting, and curing."

Section 30.6. "Type—A subdivision of a class of leaf tobacco, having certain common characteristics which permit of its being divided into a number of related grades. Any tobacco that has the same characteristics and corresponding qualities, colors, and lengths, shall be treated as one type, regardless of any factors of historical or geographical nature which cannot be determined by an examination of the tobacco."

Section 30.31. "Classification of leaf tobacco. For the purposes of this classification, leaf tobacco shall be divided into the following classes: Class 1. Flue-cured types * * *. For the purposes of this classification the classes shall be divided into the following types and groups set forth in sections 30.36-30.44."

Section 30.36. "Class 1. Flue-cured types and groups—(a) Type 11. That type of Flue-cured tobacco commonly known as Old Belt Flue-cured, Western District Bright, Middle Belt Flue-cured, or Semi-Old Belt Flue-cured; and produced principally in the Piedmont sections of Virginia and North Carolina.

"(b) Type 12.—That type of Flue-cured tobacco commonly known as Eastern Flue-cured, New Belt of North Carolina Flue-

cured, Eastern District Bright, or Eastern Carolina Bright; and produced principally in the coastal plains section of North Carolina, north of the South River.

"(c) Type 13. That type of Flue-cured tobacco commonly known as Southeastern Flue-cured, Southeastern Bright, South Carolina Flue-cured, or New Belt of South Carolina and Southeastern North Carolina; and produced principally in the coastal plains section of South Carolina and the southeastern counties of North Carolina south of the South River.

"(d) Type 14.—That type of Flue-cured tobacco commonly known as Southern Flue-cured, Southern Bright, Southern District Bright, New Belt of Georgia and Florida, Florida Bright, Alabama Bright, or Georgia Flue-cured; and produced principally in the southern sections of Georgia and to some extent in Florida, Alabama, and Mississippi."

This classification by types was adopted in the Agricultural Adjustment Act of 1938, 7 U.S.C.A. 1301(15), supra. The Tobacco Inspection Act, as amended 7 U.S.C.A. 511 et seq (1935), in section 511b authorized the Secretary to establish standards for tobacco by which its type, grade, size, condition or other characteristics might be determined, and these standards were to be the official standards of the United States. The Secretary, pursuant to this authority, issued regulations having to do with inspection certificates which were to include, together with other information, the type and grade of tobacco, and it was mandatory that such inspection certificate be placed on each lot of tobacco inspected at the time of sale in an auction warehouse. 7 CFR 29.66(b), 29.71. Tobacco auction markets were also to be established under this act. 7 CFR 29.73. No tobacco can be sold in the United States except at such designated markets, and unless the tobacco has been sampled and inspected by an official inspector of the Secretary to determine and certify the type, grade, size, form, condition or other tobacco characteristics of the lot of tobacco. 7 CFR 20.109.

The position of the appellees is that the Secretary failed to keep proper statistics and to use the latest available statistics to determine the supply of Flue-cured tobacco on hand by types, and whether type 14 should be treated as a separate kind of Flue-cured tobacco before he set the marketing quota for the marketing year 1964-65. The fact is that the Secretary treated all types of flue-cured tobacco as one kind in arriving at the 3-year quota, and declined to treat type 14 separately for 1964-65. The 3-year quota then in effect had been apportioned among the Flue-cured tobacco production areas as follows:

State:	Acreage allotment
Alabama.....	500.00
Florida.....	13,586.02
Georgia.....	64,912.49
North Carolina.....	421,092.74
South Carolina.....	74,128.45
Virginia.....	64,041.95
Reserve.....	1,599.54

It was these acreages which were reduced by 10 percent for 1964-65.

THE EVIDENCE

In support of his motion for summary judgment, the Secretary filed several affidavits including his own. He stated that he was requested, on March 7, 1964, to establish type 14 as a separate kind of Flue-cured tobacco under the Agricultural Adjustment Act of 1938.¹ He was told at the time by

¹ The kinds of tobacco as now classified are set out in 7 U.S.C.A., 1301(b) (15). The kinds listed are Flue-cured, Fire-cured, Dark Air-cured, Virginia Sun-cured, burley, Maryland, cigar-filler Cigar-binder, and Cigar-filler type 41. Appellees seek to divide the Flue-cured kind by having Flue-cured type 14 classified as an additional kind.

counsel for appellees that his failure to so establish type 14 would render the 10-percent cut in acreage allotments for 1964, heretofore made by the Under Secretary as Acting Secretary, unlawful as applied to growers of type 14 tobacco. The Secretary stated that he investigated the facts and determined that type 14 tobacco should not be constituted as a separate kind of Flue-cured tobacco, and that the determination of the national marketing quota for the marketing year beginning July 1964 on which the cut in acreage allotments had been made was in conformity with law. The Secretary gave three reasons for his conclusion. He stated that the Act did not contemplate establishing a new kind of tobacco during the 3-year period of a national marketing quota on which quotas had been approved by referendum for the kind of tobacco sought to be changed. He stated that there was not such a difference in supply and demand conditions as among the types of Flue-cured tobacco as would result in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand. See title 7, section 1301(b) (15), supra. He gave as his reason for so finding that Flue-cured tobacco is used almost entirely in the manufacture of cigarettes, that there is a high degree of homogeneity among the several types and interchangeability in their use; that there has been a close price relationship among the types over the years, and that types 11, 12, and 13 are readily marketable in the type 14 production area and such tobacco when so marketed is classified as type 14. His view was that type 14 has the same characteristics including quality, colors and lengths as types 11, 12, and 13, and that factors of historical or geographical nature could not be determined by an examination of the tobacco. His affidavit then contained the following statement which is of much importance in this case:

"That I did not have available statistics upon which to determine a quota for type 14 as a separate kind of tobacco in conformity with the act because the Department's statistics with respect to the production of Flue-cured tobacco by types are based on the area in which the tobacco is grown while the statistics with respect to the types of Flue-cured tobacco on hand are based principally on the location of the warehouse at which the tobacco was marketed, and the Department of Commerce which collects the records of the exports of Flue-cured tobacco does not report exports of Flue-cured tobacco by type."

The Under Secretary stated in his affidavit that at the time he set the annual quota under the 3-year national marketing quota, he was advised that some tobacco growers in Georgia and Florida were protesting any reduction in acreage allotment for Flue-cured tobacco in those States on the ground that a smaller proportion of tobacco from those States had been going under Government loan as compared to tobacco from other States producing Flue-cured tobacco. He stated that because of this he gave consideration to whether type 14 should be constituted as a separate kind of Flue-cured tobacco. He determined that he could not take such action unless he found that there was a difference in supply and demand conditions as among the various types of Flue-cured tobacco which resulted in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand. This reasoning was based on section 1301(b) (15), supra. He then stated that he could find no statutory provision for making adjustments between types because of the amount of tobacco moving under loan. He also found that one type of Flue-cured tobacco is readily substituted for another, and that large quantities of tobacco produced in an area associated with one type is marketed at warehouses located in areas associated with other types, and there classi-

fied as being the type corresponding to the type produced in the areas in which the warehouse is located. He also found that the reports of exports compiled by the Department of Commerce do not break exports of Flue-cured tobacco into types.

The affidavit of a tobacco economist in the U.S. Department of Agriculture was submitted. He was of the view that Flue-cured tobacco, regardless of where produced or type, is a substantially homogeneous commodity. He did not believe that Flue-cured tobacco could be fragmented into types and hence all statistical data in the Department of Agriculture went to the whole rather than the separate types. He stated the data was lacking with respect to inventories representing tobacco grown only in the areas designated as producing type 14, or as to any of the other separate types, or as to exports of the various types of Flue-cured tobacco.

The Director, Tobacco Policy Staff, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, stated that the records showing the estimated production of Flue-cured tobacco compiled and issued by the Statistical Reporting Service of the Department show production estimates of Flue-cured tobacco by types and by States, but that these estimates were based on areas of production without regard to the areas in which the tobacco is marketed. He stated that the Tobacco Stocks Reports are based on the areas in which the tobacco is marketed without regard to the areas in which the tobacco was produced, and that all tobacco marketed in the Georgia tobacco markets was classified as type 14 without regard to the area in which it was produced. Stocks reports by types and marketings by types were not compatible with Flue-cured tobacco production estimates by types since substantial quantities are produced in one State or area and marketed in another.

The Director of the Tobacco Division of the Agricultural Marketing Service of the Department of Agriculture stated that he administered regulations issued pursuant to the Tobacco Statistics and Standards Act, *supra*, and the Tobacco Inspection Act, *supra*. He explained that records as to types are based on the place of marketing rather than the place of production, and contended that this was recognized from the beginning of the classification system due to the similarity of the various types of Flue-cured tobacco. He pointed to a contemporary explanation of the proviso in Announcement No. 118, *supra*, 7 GFR, section 30.6, defining the types:

"* * * Any tobacco that has the same characteristics and corresponding qualities, colors and lengths, shall be treated as one type, regardless of any factors of historical or geographical nature, which cannot be determined by an examination of the tobacco."

The contemporaneous explanation alluded to give Flue-cured tobacco as an example, and pointed out that the type 11 area would produce tobacco of very nearly the same character as that produced in the type 12 area, and that type 11 could be sold as type 12 without being detected. It was said that the department did not wish to require the segregation of such tobacco unless the difference could be clearly determined by an examination of the tobacco itself.

Appellees, in support of their motion for summary judgment, submitted several affidavits including those of two tobacco growers. One stated that Flue-cured tobacco grown in North Carolina and Virginia is distinguishable from Flue-cured tobacco grown in Georgia in color, texture, and leaf size. He stated that he had observed baskets of North Carolina and Virginia tobacco being sold at warehouses in Georgia. His statement was based on experience gained in growing Flue-cured tobacco for 46 years, and from observing auction sales of tobacco in Georgia, North Carolina, and Virginia. The other af-

fiant stated that from a visual examination he could see a difference in the color, body, length, and size of tobacco leaves as between tobacco grown in Georgia and tobacco grown in the other Flue-cured tobacco belts. He attributed this to difference in soil and climate conditions, and to the fact that tobacco in Georgia is more generally irrigated which gives it a more uniform appearance than is true of nonirrigated tobacco grown in the belts.

The testimony of a marketing inspector for the Georgia Department of Agriculture was offered by appellees. He presented charts, based on data obtained from the U.S. Department of Agriculture, which demonstrated that in the 17-year period from 1946 through 1963, a total of 163 million pounds of type 14 tobacco was placed under Government loan while in the year 1963 alone 129.1 million pounds of type 11-A tobacco was placed under loan.² Another chart demonstrated that as of January 1, 1957, 104.3 million pounds of type 11-A tobacco was held in the Stabilization Corporation and 271.9 million pounds as of January 1, 1964. On January 1, 1957, 33.2 million pounds of type 14 was on hand but by January 1, 1964 this total had decreased to 16.8 million pounds. Another chart showed that in 1963 only 2.8 percent of tobacco marketed as Type 14 was placed in Government loan, and it was conceded that some of this was not type 14. His testimony was that more than 13 million pounds of other types of Flue-cured tobacco had been brought into Georgia and was sold as type 14 in 1963. As to the remaining types, 12.2 percent of type 13 was placed under Government loan in 1963, 14.2 percent of type 12, 21.7 percent of type 11-B, and 43.6 percent of type 11-A.

JURISDICTION

Appellees invoked the jurisdiction of the court below under the judicial review provision of the Administrative Procedure Act, 5 U.S.C.A. 1009. The Secretary contends that judicial review, and thus jurisdiction, is precluded under the provision of that section which excepts agency action from judicial review where a statute precludes judicial review, or where agency action is by law committed to agency discretion. Section 1009(a).

It is settled that a statute must clearly demonstrate the intention of Congress to preclude judicial review in order for review to be denied by this exception. *Cf. Shaughnessy v. Pedreiro*, 1955, 349 U.S. 48, 75 S. Ct. 591, 99 L. Ed. 868; and *Fulford v. Forman*, 5 Cir., 1957, 245 F. 2d 145, footnote 23. The Secretary points to 7 U.S.C.A. 1363-67, the review provisions of the Agricultural Adjustment Act, and says that the review there provided is exclusive. These sections permit review by a local review committee in the event a farmer is dissatisfied with his farm marketing quota, and the determination by that committee may be judicially reviewed. *United States v. Sykes*, 5 Cir., 1962, 310 F. 2d 417, 420. But it is clear that this review provision does not permit review of the apportionment of a State allotment among counties. *Fulford v. Forman*, *supra*.

The Secretary contends that the intention of Congress was to preclude a challenge to the manner in which a national crop quota was fixed, or the manner in which a national quota was allocated or apportioned to States and counties. We conclude that there is no basis in the Agricultural Adjustment Act for attributing such an intention to Congress where, if such be the case and that is the allegation, the Secretary has failed to comply with statutory mandates relating to the gathering and using of statistics, the con-

sideration of which is a condition precedent to determining whether types of tobacco should be treated as separate kinds in establishing marketing quotas.

It is urged that even assuming *arguendo* this to be the case, judicial review under the Administrative Procedure Act is nevertheless unavailable to appellees because the action of the Secretary was by law committed to his discretion. It is said that the determination that supply and demand factors did not warrant treating type 14 as a separate kind of tobacco constituted an exercise of discretion and nothing more. Such discretion is vested in the Secretary by the statute (7 U.S.C.A. 1301(b)(15)). This discretion, however, was not unfettered but was subject to the requirement that the Secretary use the latest statistics in making the determination. Section 1301(c), *supra*. And another statute required that these statistics be compiled (7 U.S.C.A. 501).

The crux of the complaint is that the Secretary failed to keep and consider the latest statistics in making the determination as to treating type 14 as a separate kind of tobacco, and therefore departed from the statutory base on which his discretion was to be exercised. This was a sufficient jurisdictional allegation. In sum, we conclude that judicial review of the Secretary's determination not to treat type 14 as a separate kind of tobacco is not precluded by statute, nor is the determination committed by law to the Secretary's unfettered discretion. Furthermore, the decision of the Secretary constituted final agency action for which there is no other adequate remedy in any court. See 5 U.S.C.A. 1009(c). We therefore hold that the district court had jurisdiction to review the action of the Secretary under the Administrative Procedure Act.³

THE MERITS

As is indicated by the statement of the evidence adduced on the motions, the Secretary does not contend that he exercised his discretion as to whether to treat type 14 as a separate kind of tobacco on full facts. The statistics available to him with respect to acreage planted in Flue-cured tobacco were based on areas of production and hence types. The statistics reflecting stocks on hand or supplies were based on the location of the warehouse at which the tobacco was marketed. These statistics did not reflect types as all types were treated as that of the producing area in which the warehouse was located. This, of course, amounted to no statistics by types, and was in contravention of the duty to keep statistics by types, 7 U.S.C.A. 501, *supra*, unless there was no practical difference in the types. He also stated that records of exports were not kept by types, but these were records kept by the Commerce Department and may or may not have been relevant. Neither the Secretary nor those of his staff whose affidavits on the subject were submitted in the district court deem it necessary to keep statistics based on types. They seem to be of the opinion that the high degree of homogeneity among the types was such as to render it conclusive that all of the types should be treated as one for purposes of establishing marketing quotas. This conclusion is buttressed only by other conclusions such as high degree of interchangeability, similarity in prices, and the like, but none of these underlying conclusions were supported by facts.

³ The legislative history of the Administrative Procedure Act as it pertains to the exceptions to review based on statutory preclusion of review, or matters committed to agency discretion is set out in *Amarillo-Borger Express v. United States*, N.D. Tex., 1956, 138 F. Supp. 411, 418 footnote 13. This history fully supports the conclusion we have reached.

² Apparently type 11 has been, since Announcement No. 118, *supra*, divided into types 11-A and 11-B. This does not appear of record.

On the other hand, appellees submitted the affidavits of two witnesses who testified, based on experience and observation, that there is a difference in color, texture, and size of type 14 as distinguished from the other types. One of these affiants stated that this was due to the high degree of irrigation used in the type 14 belt. The testimony of the Georgia marketing inspector was based on statistical uniformation sent him by the U.S. Department of Agriculture. It showed that a much less proportion of the type 14 crop was placed under the Government loan program. Only 2.8 percent of type 14 went under loan, while the other types varied from 12.2 percent of type 13 up to 43.6 percent of type 11-A for the year 1963. These figures also showed that over a period of 17 years ending in 1963 only 163 million pounds of type 14 tobacco was placed under loan while 129.10 million pounds of type 11-A went under loan in 1963 alone. These facts strongly support an inference that a substantially greater proportion of type 14 was selling above the support level than was true of the other types. Moreover, his testimony demonstrated that at least some statistics were available in the Department of Agriculture to separate true type 14 tobacco from tobacco produced in other areas and sold at markets in the type 14 area, inasmuch as he testified that "a fraction more than 13 million pounds" was brought into Georgia and sold as type 14 in 1963. In short, he had statistics separating type 14 from the other types both by sales and under the loan program.

This testimony is not conclusive on the question of whether the Secretary abused his discretion in not treating type 14 as a separate kind of tobacco, but it does show that statistics were available to the Secretary which were not considered by him in making the determination, and that there was a practical difference in characteristics as between type 14 and some of the other types such as would warrant a consideration of comparative statistics.⁴ All in all, and as a matter of proof since the hearing went beyond a motion for summary judgment to the point where both sides were satisfied with the proof and to submit the case for final judgment, the evidence was sufficient to show that the Secretary departed from what is required of him by statute: to keep statistics and consider the latest available statistics in making the determination as to kind when arriving at marketing quotas.

This made out a case for appellees to the extent of the Secretary having failed in this duty, and the difficult question presented to the district court and to this court is what relief should have been accorded. It would have been improper for the district court to have taken up the question of whether the Secretary abused his discretion in holding that type 14 was not to be treated as a separate kind of tobacco

as a matter of fact. The evidence adduced was insufficient to demonstrate this. In fact, the proof was not directed to this question. Facts as to prices, demand in the market by types, and the reason for differences in demand, if any, would, together with differences in characteristics, all be material, indeed a *sine qua non* to a judgment on an abuse of discretion question.

RELIEF TO BE ACCORDED

We hold that the order of the court now under consideration cannot be sustained in its entirety. It goes beyond what is warranted by the evidence and in fact amount to the setting of a marketing quota by the court. This follows from the fact that the court, without conclusive evidence as to whether type 14 should be treated as a separate kind of tobacco, in effect increased the acreage allotment by adding 10 percent to the type 14 acreage allotment. This relief was unwarranted in fact and in law. The proper approach would have been to deny the injunctive relief sought under the declaratory judgment count of the complaint, and to grant relief to the extent necessary and warranted under the first count of the complaint which was aimed toward requiring the Secretary to perform his statutory duties.

This means that the court in exercise of its equitable discretion once it found, as it did and as we affirm, that the Secretary had failed to use the latest statistics in treating with the contention that type 14 should be a separate kind of tobacco, should have directed the Secretary to reconsider his decision in the light of what the statutes required of him.

This was indicated by the fact that the marketing quota and acreage allotments had been set 2 years before appellees registered their complaint as to the treatment being given to type 14. All Flue-cured tobacco farmers had approved the marketing quotas and all that was left for the Secretary was to establish the annual quota for each of the last 2 marketing years of the period. The Secretary was entitled to a reasonable time to consider the contentions of the appellees, but they are entitled to have him follow the statutes and otherwise consider facts relevant to their contentions that type 14 should be treated as a kind of tobacco separate from the other types of Flue-cured tobacco.

This determination by the Secretary is apart from the question as to when he may change the marketing quotas and acreage allotments if he should conclude to treat type 14 as a separate kind. That is another question and one not ripe for decision at this time. Whether such separate treatment may be commenced prior to the setting of any annual marketing quota, simply by re-apportioning the acreage among the several States or otherwise, or whether it may only be done prior to the setting of the 3-year marketing quota is a question that first should be considered by the Secretary, and will only arise in the event he determines to treat type 14 as a separate kind of tobacco. We add that, contrary to the contention of the Secretary, when such acreage relief, if any, as appellees may be entitled to will be accorded them in no way bars their right to a proper and present consideration of their claim.

It is thus apparent from what we have said that the judgment must be reversed because of its breadth, but in reversing we hold that the district court should enter an order directing the secretary to reconsider within a reasonable time the question of treating type 14 as a separate kind of Flue-cured tobacco in the light of all available and material facts, including such statistics as he may have or which may be reasonably derived from presently available facts or statistics, to the end of making a considered and fair

judgment, in the exercise of his discretion, as to the question presented. Whether there is a high degree of homogeneity on the types, or interchangeability in their use are questions of fact. Evidence should be available as to whether there are material differences in the characteristics of the types, and in demand and prices. In any event, the Secretary shall make his decision on statistics which are presently available or which may be compiled from other statistics, documents, and other evidence presently available. This evidence may be obtained from the Department or elsewhere, such as from records that may be maintained by purchasers of tobacco from producers. The Secretary must make a decision and his decision, if reviewed after he follows the statutory mandates, will be on the basis of whether he has abused his discretion in the decision.

The determination of the Secretary may be made on the basis that any change in marketing quotas and acreage allotments based on his decisions, if it should be to treat type 14 as a separate kind of tobacco, shall be prospective in application. As stated, we do not reach the question of whether such relief may be applied prospectively to the next annual quota or whether it must await the first year of a 3-year marketing quota.

Reversed and remanded for further proceedings not inconsistent herewith.

Mr. TALMADGE. Mr. President, in this particular case the farmers who filed suit won in the District Court for the Southern District of Georgia. The defendant appealed the decision. The appellees also won in the Circuit Court of Appeals. I presume that the defendant now will seek to appeal that decision to the U.S. Supreme Court.

The tobacco farmers in our area of the country believe that this is one of the reasons why there has been such great haste in this matter and why the pending bill is sought to be passed with such great speed, to the exclusion of permitting the tobacco farmers themselves in their own areas to come before a committee of the Senate to argue the merits of their case.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to the able and distinguished Senator from Florida.

Mr. HOLLAND. I wonder if the Senator from Georgia sees any equity in making the provisions of the pending bill apply to Flue-cured tobacco this year but not to burley tobacco until next year, in spite of the fact that all the Flue-cured tobacco producers in my State have already planted, and many of the farmers in the Senator's State have already planted, our two States being the principal ones which produce the type of tobacco under discussion, type 14, which is not in surplus and which has not contributed to building up the present problem.

Mr. TALMADGE. The distinguished Senator from Florida is eminently correct. The bill is utterly and entirely discriminatory, because the farmers who have not contributed to the surplus would be the ones who would be penalized. As my friend from Florida knows, in his State the farmers have already transplanted their tobacco plants to the field and the plants are now growing. In my State the same thing would have happened except for the unfavorable

⁴ The objection of Type 14 producers to the sale of other types in their area has been the subject matter of previous litigation, *Campbell v. Hussey*, 1961, 368 U.S. 297, 82 S. Ct. 327, 7 L. Ed. 299, affirming the district court's holding that a Georgia statute requiring different color tags to be placed on the different types was unconstitutional. In footnote 3 of the Supreme Court decision it was said:

"Both the purpose and effect of the Georgia enactment were to make a distinction at the markets, by the color tags, between tobacco grown in Georgia and that grown elsewhere. The effect was to create a wide disparity of price between the two groups of tobacco, the Carolina growers receiving a much lower amount. This resulted in losses of business to the plaintiff warehousemen" (189 F. Supp. 54, 59).

weather we have been experiencing in the way of abnormal rainfall. Although some of the farmers in our State have transplanted their tobacco, a great many have not. However, they have produced the plant, they have prepared the ground, they have laid off the rows, they have bought the insecticides, they have purchased the fertilizer, and they have made every plan and every preparation to plant. Last fall they voted overwhelmingly for one system, proposed by the Department of Agriculture. Now Congress says, "We are not going to keep faith with you. We will change the system, even though your tobacco may be in the ground, and even though you have bought your fertilizer, and even though you have planted your seed." In spite of all that, the Government is now willing to say, "We will change all this. You cannot rely on what we told you last fall." This proposition is absolutely and completely inequitable.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. TALMADGE. I am glad to yield further to the Senator from Florida.

Mr. HOLLAND. Is it not true that in the case of burley tobacco, Senators representing those areas were much wiser in insisting that the bill should not be made applicable to their product until next year, to give the producers an opportunity to adjust themselves to the situation?

Mr. TALMADGE. Yes; to achieve a period of adjustment for themselves and to see how it would affect them.

Mr. HOLLAND. Is it not true that burley tobacco is planted even later, and would not be in the same inequitable situation, so far as having already been planted is concerned, in which the producers in my State and in the State so ably represented by the Senators from Georgia would find themselves if the bill were enacted?

Mr. TALMADGE. The Senator is entirely correct. I do not believe that any burley tobacco plants are in the ground. On the other hand, at least two States, and probably three States, have made substantial plantings of Flue-cured tobacco.

Mr. HOLLAND. Is it not true that even if the bill were passed and approved by the President in the minimum time, say, the last part of this week or some time next week, there would still be required time for the holding of a referendum to displace and supplant the referendum of last December, in which the Flue-cured tobacco producers voted by a two-thirds majority to cut their acreage by 19½ percent rather than continue to produce the surplus?

Mr. TALMADGE. The Senator is entirely correct. No matter how speedily the bill is enacted into law, and no matter how speedily the Department of Agriculture may order a further referendum on the subject, by that time at least two-thirds or perhaps even three-fourths of all the Flue-cured tobacco in the entire United States will have been planted.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. TALMADGE. I am glad to yield.

Mr. HOLLAND. Does the Senator think this is an equitable way to approach such a revolutionary change in a long-established quota system like this?

Mr. TALMADGE. There is no semblance of equity about it. The Senator well knows that after the crops are in the ground it is not possible to change the system.

Mr. HOLLAND. I thank the Senator. I have not seen this kind of inequitable approach made on the floor or in committee in this whole field of agricultural production in the 15 or so years that I have served on the committee. I regret that this approach is being made in connection with the pending bill.

Mr. TALMADGE. I agree with the Senator. I compliment him for his valuable contribution.

The farm leadership in Georgia and Florida is wholeheartedly supporting the pending litigation. I know these men to be levelheaded, foresighted people who favor the tobacco support program so long as it is fairly administered and serves the purpose intended by Congress. However, at the same time, they are not men who will lie down and accept the current program which can only lead to economic disaster and ruin for the Flue-cured tobacco producing areas. The bill which I have introduced to provide for the apportionment of tobacco marketing quotas to those farmers who produce marketable Flue-cured tobacco would correct the flaws and defects in the old Agricultural Adjustment Act of 1938 and provide a solution to the complex tobacco problem.

The bill provides for apportionment of the national marketing quota for Flue-cured tobacco in a manner designed to increase allotments of farms producing tobacco for the market and decrease allotments of farms producing tobacco for the price support program.

Under the bill each Flue-cured tobacco farm would start with a base consisting of the product of its previous year's acreage allotment and its normal yield—or its marketing quota, if acreage allotments had not been established. This base would be reduced by one-fifth of the quantity of tobacco put under price support from the farm. The national marketing quota—less the reserve for new farms and small farms—would then be apportioned among farms in accordance with their bases, so that farms whose bases had been reduced would receive less, and farms whose bases had not been reduced would receive more.

Farm allotments might be made on either a poundage or acreage basis. If on a poundage basis, the amount apportioned to the farm as just described would constitute the farm marketing quota. If on an acreage basis, the poundage apportionment just described would be converted to an acreage allotment by multiplying it by the normal yield for the farm. The farm marketing quota would then be the actual yield of the acreage allotment.

Section 1 of the bill adds a new section 313A to the Agricultural Adjustment Act of 1938.

Subsection (a) of new section 313A

provides for use of the method of apportionment just described for Flue-cured tobacco, if marketing quotas have been in effect for the preceding year. In such case it would supersede the apportionment method now prescribed by section 313 of the Agricultural Adjustment Act of 1938; except that section 313(d), which permits the transfer of marketing quotas in such manner as the Secretary may prescribe, and section 313(i), which permits increases in allotments or quotas when necessary to meet demands for particular types, would continue to be applicable. Section 313 would continue to be effective for Flue-cured tobacco whenever marketing quotas had not been in effect for the previous year.

The computation of each farm base would begin with its acreage allotment—or marketing quota if acreage allotments were not in effect—for the marketing year preceding the marketing year for which the apportionment is to be made. Thus, for example, the 1965 acreage allotment would be used in computing the farm base for apportionment of the marketing quota for the 1966 crop. Where an acreage allotment is used in computation of the base, it is converted to pounds by multiplying it by the normal yield. "Normal yield" is a term now used in sections 314 and 316 of the law, but it is not defined, being left to the Secretary to determine.

The next step in the computation of the farm base is to subtract the amount of tobacco from the farm which was put under price support during the most recent marketing year for which such information is available for all farms. Such information is not now available and probably could not be made available for crops prior to the 1965 crop. The Secretary would have to keep adequate records for the 1965 crop, but appears probable that these records would not be available in time to be taken into account in apportioning quotas for the 1966 crop. The 1966 marketing quota for Flue-cured tobacco must be proclaimed not later than December 1, 1965, and the referendum must be held within 30 days thereafter; but 1965 crop Flue-cured tobacco may still be going under price support during December. It is probable therefore that the farm bases used in making the apportionment for 1966 under the bill would not be reduced by reason of tobacco being put under price support in 1965; but the bases used in apportioning the 1967 quota would be so reduced.

There would be no State marketing quotas or allotments. The national marketing quota, less the reserve, would be apportioned directly to farms on the basis of farm bases.

Subsection (b) of new section 313A provides for a reserve similar to that provided by section 313(c) for the present method of apportionment. Up to 5 percent of the national quota could be apportioned to small farms and farms having no farm bases on the basis of the factors now set out in section 313(c). The amount apportioned to a farm having no base could not exceed 75 percent of the amount apportioned under subsec-

tion (a) for farms which are similar with respect to the allotment factors.

Subsection (c) of new section 313A provides that if a farm markets less than its full marketing quota, its marketing quota for the next marketing year, computed as provided in subsections (a) and (b) would be increased by the amount of the deficiency—but the increase could not exceed 100 percent of the quota as computed under subsections (a) and (b). This would give a farmer who had a crop failure in one year the chance to make it up the next year. If a farm exceeded its quota, its marketing quotas for succeeding years would be reduced until the total reductions equaled the excess. This penalty would be in addition to the marketing penalty imposed on the marketing of the excess.

The increases or decreases in marketing quotas or acreage allotments resulting from the application of subsection (c) would not be taken into account in computing farm bases for subsequent years. Thus if a farm marketing quota of 5,000 pounds computed under subsection (a) was increased to 7,500 pounds, the farm base for the next year would be computed as though the farm marketing quota had been 5,000 pounds—and, if acreage allotments had been established, as though the farm acreage allotment had been 5,000 pounds divided by the normal yield for the farm.

Subsection (d) of new section 313A authorized the Secretary to convert farm marketing quotas to acreage allotments on the basis of farm normal yields. At present the Secretary has somewhat similar authority under section 313(g) to provide for acreage allotments by converting State marketing quotas to State acreage allotments and apportioning them to farms. As in section 313(g), when acreage allotments are used, the actual production of the farm acreage allotment constitutes the farm marketing quota.

Subsection (e) of new section 313A applies provisions of section 313(g), modified as necessary, to the new apportionment method. These provide for reductions in farm acreage allotments (farm marketing quotas in certain cases) for falsely identifying tobacco, failing to furnish proof of disposition, participating in false reports, or producing two crops on the same acreage.

Section 2 amends the heading of section 313 to indicate that it is not applicable when marketing quotas are apportioned in the manner provided by the bill.

Section 3 provides that the bill shall become effective beginning with the 1966 crop. As indicated above, it would probably not be fully effective until the 1967 crop, since the price support data to be used in reducing farm bases would probably not be available in time to be applied to the 1966 crop apportionment.

Mr. President, the substitute which I have proposed for myself and the distinguished Senator from Florida would not penalize the producers of Flue-cured tobacco who are producing a high quality tobacco that finds a ready, willing, and available buyer in the marketplace. It would, however, reduce the produc-

tion of the tobacco for farmers who produce an inferior quality tobacco that has been going into the commodity stabilization program in recent years in enormous quantities.

In order to enlighten my colleagues and reveal the true nature of the situation, I hold in my hand some diagrams. The small amount shown in the left-hand column of the diagram is type 14 tobacco and verifies the fact that only a slight percentage of its production receives support. The other types of Flue-cured tobacco are indicated by the tall columns, representing a much higher percentage of price-supported production.

The same situation has been true, without exception, for 17 years.

It is unfair and discriminatory to penalize the producers of tobacco who have sold their tobacco merely because others have produced an inferior quality of tobacco that has not found a marketplace.

The bill, if enacted, would reverse a lawsuit that has been won by the farmers of Georgia and South Carolina. The law applicable to the lawsuit is found on page 192 of the hearings, which each Senator will find on his desk.

Section 301(b) of the Agricultural Adjustment Act of 1938 provides—

DEFINITIONS APPLICABLE TO ONE OR MORE
COMMODITIES

For the purpose of this title, "tobacco" means one of the kinds of tobacco listed below comprising the type specified as classified in Service and Regulatory Announcements Numbered 118 of the Bureau of Agricultural Economics of the Department.

Flue-cured tobacco, comprising types 11, 12, 13, and 14.

A portion of that act reads as follows:

Provided, That any one or more of the types comprising any such kind of tobacco shall be treated as a "kind of tobacco" for the purposes of this Act if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand.

That is the law that the farmers of Georgia and South Carolina tested in Federal court and won. That is the decision that Congress is now being asked to overrule. If it is overruled, the farmers who have been producing tobacco for the marketplace, and not for a Government warehouse, will be penalized. The tobacco farmers in that region have an average allotment of about 2 acres. In many instances, that allotment provides their sole monetary income for an entire year. If those people are penalized, those who are among the lowest income group in the United States will be penalized.

We are being asked to pass poverty programs, and we have passed several of them. I certainly favor eliminating poverty wherever that can conceivably be done. But in this area, the tobacco farmers are working. They are trying to earn a living by the sweat of their brows on their own farms, their own small, humble plots of ground. In the bill, we are asked, at one fell swoop, to put them into a more poverty-stricken class for the benefit of the great many

farmers who produce large volumes of tobacco of an inferior quality.

I asked one witness who appeared before our committee what his tobacco allotment was. His answer was, "I don't know; several hundred acres."

I said, "Do you mean to tell me that you do not know what your tobacco allotment is? Every farmer in my State knows within a fraction of an acre what his allotment is."

It developed upon further inquiry that the particular so-called farmer had a tobacco allotment of 2,200 acres. That is the type of people who are requesting that Congress impose further restrictions on the humble small farmers who have already planted their crops, who have already nurtured them in the ground, who have been into the courts of the United States—the district courts and the circuit courts of appeals—and have won their lawsuit. Now we are asked to reverse the result of that lawsuit by an act of Congress. We are asked to penalize further those humble small farmers for the benefit of the man who had a 2,200 allotment but did not even know what size allotment he had. "Several hundred acres," was his evasive answer.

I hope the Senate will do no such injustice or inequity. I hope the Senate will approve the amendment in the nature of a substitute which I have offered in my behalf and in behalf of the distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, I compliment and congratulate the distinguished Senator from Georgia on his fine presentation of a case that has real equity and yet is being presented to the Senate with only seven Senators in the Chamber, including the Presiding Officer, the distinguished Senator from New York [Mr. KENNEDY]. It is a pity that when a matter which strikes at the money income of a great many thousand small people is being considered by the Senate, we find ourselves unable to reach the ears of Senators who, I know, want to do the equitable thing. There is only one equitable thing that could be done in this case.

My own State of Florida is a very small producer of Flue-cured tobacco. According to the testimony in the hearing record, some 5,200 Florida farmers produce Flue-cured tobacco on a total of about 12,000 acres. That is a little more than 2 acres per farmer, on the average. Many farmers have less than 2 acres.

Flue-cured tobacco is the principal money crop of a great many of our people who live in that part of Florida which does not have the advantage of a thriving tourist industry, which does not have the advantage of a tremendous vegetable and fruit production, but which is largely dependent upon the production of staple crops. Flue-cured tobacco is the principal money crop, as I have already stated, for some thousands of mighty good Americans who happen to be producers of that kind of tobacco in Florida.

A somewhat comparable situation exists in Georgia, except that Georgia has approximately five times as great a production of Flue-cured tobacco, and something like five times as many fami-

lies are directly affected by this problem, as compared with the situation in my own State of Florida.

In South Carolina, we cannot break down the number of producers of Flue-cured tobacco of type 14, the kind which is produced in Georgia and Florida, as compared with those who produce other types of tobacco, but several thousand producers in South Carolina produce Flue-cured tobacco of type 14, which I shall speak about in a moment, and which has been so ably discussed by the distinguished Senator from Georgia [Mr. TALMADGE], who certainly knows this industry from top to bottom, and has shown that knowledge as Governor of his State—and he was a great Governor. He has shown it for years in the Committee on Agriculture and Forestry, where he has been the principal spokesman for the Flue-cured tobacco producers.

This trouble was caused not by the producers of type 14 tobacco, but by the producers of other types of Flue-cured tobacco. In order that the RECORD may clearly show that what I am about to say is correct, I shall ask for the inclusion in the RECORD as a part of my remarks of two or three of the portions of compilations appearing in the record of committee hearings.

On page 173 of the hearings, the third of the tables that are included shows the following:

Proportion of production by type going into stabilization corporation storage (percent).

This covers the years beginning with 1961 and continuing through 1964, with the understanding that as to 1964 the figures are estimates all the way through. But I believe they are substantially correct, because that has been the case every year that we have obtained these data from the well-operated tobacco division of the U.S. Department of Agriculture.

It appears that in 1961 the percentage of tobaccos of the five types which comprise Flue-cured tobacco, which went to the Stabilization Corporation—that is, into government warehouses—was not greatly variant. It ran all the way from 2.8 to 7.1 percent, but nothing like the variance that has occurred since that time.

Beginning with 1962, Senators will note that as to type 14 tobacco, every year, only a minor percentage of the percentage of the production has gone into Government warehouses. For instance, in 1962, 2.6 percent of type 14 tobacco went to the Government; in 1963, 3 percent; in 1964, 1.7 percent; or a total average of about 2.9 percent.

I state again that the figure for 1964 is an estimate. Therefore, that makes the average somewhat of an estimate, although it must be almost correct.

If we consider each of the other type of tobacco not produced in Florida, not

produced in Georgia, and not produced in the southern part of South Carolina, we shall see an entirely different picture.

As to type 13, in 1962, 10.8 percent of that type went to the Government warehouses. In 1963, it was 13.2 percent. In 1964, it was 13.8 percent. That is an average of 10.5 percent.

As to type 12, it was 16.5 percent in 1962, 14.9 percent for 1963, and 28.6 percent for 1964. There was an average of 17.6 percent for the 3 years.

If we go to type 11B, it was 20.4 percent for 1962, 23.3 percent for 1963, and 20.6 percent for 1964. That is an average of 18 percent.

As to type 11A, which has been the biggest offender of all, 32.2 percent in 1962 went to the Government; 45.8 percent went to the Government warehouses in 1963, and 21.3 percent in 1964. That is an average of 27.5 percent in those particular years.

I call attention to this fact because if one wishes to turn now to the next exhibit, found on pages 105 and 106 of the printed record, he will find the reason why the other types of tobacco have been building up heavy surpluses in the Government warehouses. They are the types which ought to contribute out of proportion to the solving of this catastrophe which they have brought on the Flue-cured tobacco industry. For instance, the compilation on page 105 shows the figure with reference to Florida type 14. It shows that, whereas in 1961 we produced in our State an average of 1,850 pounds per acre, we were still at about that figure in 1964. We were producing 1,765 pounds per acre. As to the total production, we had brought it down from a total of 25,900,000 pounds to a total of 22,239,000 pounds.

That shows rather clearly that we had not only not heavily built up our production per acre, but that we had also not built up the total produced. That was one of the reasons why our tobacco was still a superior type, 1's and 2's, and was taken by the buyers on the tobacco market.

Let us look at the figures for Georgia. For 1961, it will be noted that the farmers in Georgia produced 1,930 pounds per acre, as again 1,930 pounds, or that same average, for 1964.

If we look across the table to see the volume produced in that great State, the total volume went from 136 million pounds in 1961 down to 122.5 million in 1964. In other words, in the States of Florida and Georgia, where type 14 tobacco was being produced, and where the tobacco found a ready market, sold for a good price, and did not have to encumber Government warehouses, there was not an effort to step up heavily the production per acre, which we find in the great State so ably represented by my distinguished friend, the junior Senator from North Carolina [Mr. JORDAN].

If we look at the North Carolina figures, we find a very different situation. In 1961, in North Carolina, the average production of type 11 per acre was 1,670 pounds per acre. If we look at the year 1964, we find that the average production per acre had been forced up to 2,150 pounds per acre, or an increase of nearly 500 pounds per acre in those 3 years.

If we look at the total production, we see what happened. From a production of 303,940,000 pounds of type 11 tobacco in 1961, the North Carolina Flue-cured tobacco farmers had increased their production to a total of 352,600,000 pounds, or a total of nearly 50 million pounds increase in production in those 3 years.

If we look at the next tabulation, we find that in North Carolina for type 12 production, the farmers producing that type in 1961 produced an average of 1,875 pounds per acre, whereas, in 1964, they had forced the average production up to 2,375 pounds per acre, or an average of 500 pounds per acre increase in the production of type 12.

If we look across the table to see the total volume of type 12 tobacco produced in that great State, the Tarheel State, we find that the farmers in North Carolina produced 421 million pounds plus of type 12 tobacco in 1961, whereas, in 1964, they produced 479 million pounds plus, or an increase of 58 million pounds in that particular type alone in 3 years.

I do not like to burden the RECORD with these facts, but they are facts. They ought to appear in the RECORD. They show clearly who has trespassed, and who has abused the protective cloak which Congress has tried to give the producers of Flue-cured tobacco to put around their shoulders. It shows who should receive a penalty, rather than placing the penalty upon those who do not deserve it.

If we look at page 106, we find what happened in the great State of North Carolina in the production of type 13 tobacco in those same years. In 1961, the average type 13 tobacco produced in North Carolina was 1,900 pounds, as against 2,350 pounds per acre in 1964. The total volume of production of that kind of tobacco had gone up in those 3 years from 106,400,000 pounds to 117,500,000 pounds.

Figures of this kind do not lie; they tell the facts. They reveal that the producers of Flue-cured tobacco in North Carolina, notwithstanding the fact that I am sure they met the acreage quotas by having to cut down their acreage as the acreage allotments were given, nevertheless did two things. They not only piled on the fertilizer and planted the tobacco closer together, but they also utilized—and this is the pitiful point—a new planting of tobacco turned out by a couple of nurseries, which planting was designed to greatly outproduce in poundage per acre that which had been produced before.

The record shows these things. I am only asking whether it is fair or equitable to put this particular hardship upon those who have not produced this catastrophe of tremendous warehouse supplies and oversurplus production. Why is it fair to place the penalty upon those who have not contributed to it, those who have been able to sell their crop for money on the barrelhead in their markets to the degree shown by the figures which I quoted?

In case I have not asked to do so, I ask unanimous consent that the table shown at page 173 of the hearings, part of which I quoted—the third compilation on page 173—be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 5.—Production and accumulations of Stabilization Corporation stocks of Flue-cured tobacco, by types, 1961–64¹

	1961	1962	1963	1964	Total
Proportion of production by type going into Stabilization Corp. storage (percent):					
Type 14.....	4.1	2.6	3.0	² 1.7	² 2.9
Type 13.....	2.8	10.8	13.2	² 13.8	² 10.5
Type 12.....	8.1	16.5	14.9	² 28.6	² 17.6
Type 11b.....	4.2	20.4	23.3	² 20.6	² 18.0
Type 11a.....	7.1	32.2	45.8	² 21.3	² 27.5
Total.....	5.6	16.9	20.3	² 19.3	² 16.1

¹ Sources: "Flue-Cured Tobacco Market Review," TOB-FL-7, AMS, USDA, Washington, D.C., March 1964; "Flue-Cured Tobacco Market Review," TOB-FL-6, AMS, USDA, Washington, D.C., March 1963; "Tobacco Situation," TS-110, ERS, USDA, Washington, D.C., December 1964; and "News Letter," Flue-Cured Tobacco Stabilization Corp., Raleigh, N.C., Jan. 4, 1965.

² Preliminary.

U.S. Flue-cured tobacco: Average, yield per acre, production, price per pound, and crop value by types within States, 1956–64

FLORIDA, TYPE 14

Year	Acreage	Yield per acre	Production	Price per pound	Crop value	Year	Acreage	Yield per acre	Production	Price per pound	Crop value
	<i>Acres</i>	<i>Pounds</i>	<i>1,000 pounds</i>	<i>Cents</i>	<i>1,000 dollars</i>		<i>Acres</i>	<i>Pounds</i>	<i>1,000 pounds</i>	<i>Cents</i>	<i>1,000 dollars</i>
1956.....	17,700	1,225	21,682	48.5	10,516	1961.....	14,000	1,850	25,900	60.6	15,695
1957.....	11,400	1,350	15,390	56.7	8,726	1962.....	14,800	1,960	29,008	56.3	16,332
1958.....	11,100	1,485	16,484	57.3	9,445	1963 ¹	14,000	1,845	25,830	57.0	14,723
1959.....	13,900	1,395	19,390	59.8	11,595	1964 ¹	12,600	1,765	22,239		
1960.....	13,800	1,595	22,011	57.2	12,590						

GEORGIA, TYPE 14

1956.....	88,000	1,455	128,040	48.5	62,099	1961.....	70,500	1,930	136,065	59.0	80,278
1957.....	63,000	1,290	81,270	56.1	45,592	1962.....	74,000	1,975	146,150	57.0	83,306
1958.....	58,000	1,545	89,610	57.5	51,526	1963 ¹	70,500	2,025	142,762	58.0	82,802
1959.....	69,000	1,520	104,880	58.1	60,935	1964 ¹	63,500	1,930	122,500		
1960.....	70,000	1,845	129,150	56.8	73,357						

NORTH CAROLINA, TYPE 11

1956.....	227,000	1,625	346,175	50.2	173,780	1961.....	182,000	1,670	303,940	64.2	195,129
1957.....	170,000	1,355	230,350	53.8	123,928	1962.....	191,000	1,860	355,260	60.3	214,222
1958.....	163,000	1,570	255,910	57.6	147,404	1963 ¹	182,000	1,790	325,780	56.9	185,369
1959.....	180,000	1,450	261,000	55.2	144,072	1964 ¹	164,000	2,150	352,600		
1960.....	179,000	1,630	291,770	60.4	176,229						

NORTH CAROLINA, TYPE 12

1956.....	282,000	1,760	496,320	51.8	257,094	1961.....	225,000	1,875	421,875	65.5	276,323
1957.....	218,000	1,535	334,630	54.8	183,377	1962.....	234,000	1,825	427,050	59.8	255,376
1958.....	213,000	1,825	388,725	57.7	224,294	1963 ¹	223,000	2,140	477,220	58.7	280,123
1959.....	223,000	1,550	345,650	58.7	202,897	1964 ¹	202,000	2,375	479,750		
1960.....	223,000	1,980	441,540	61.2	270,222						

NORTH CAROLINA, TYPE 13

1956.....	70,000	1,700	119,000	55.0	65,450	1961.....	56,000	1,900	106,400	65.8	70,011
1957.....	55,000	1,560	85,800	59.6	51,137	1962.....	58,000	2,250	130,500	61.3	79,996
1958.....	53,000	1,740	92,220	60.3	55,609	1963 ¹	55,500	2,120	117,660	59.6	70,125
1959.....	55,500	1,735	96,292	62.4	60,086	1964 ¹	50,000	2,350	117,500		
1960.....	55,500	1,920	106,560	62.2	66,280						

¹ Preliminary.

Source: Compiled from reports of the Agricultural Estimates Division, SRS.

Mr. HOLLAND. Mr. President, it is also a lamentable fact that growers right across North Carolina, in Virginia, did the same thing. If Senators will look at the last part of that page, on page 106 of the hearing record, they will find the

compilation covering Virginia, type 11. They will find that the per acre production went from 1,580 in 1961 to 2,100 in 1964, and that total production went from 111 million pounds in 1961 to 132 million pounds in 1964.

Mr. HOLLAND. Mr. President, I also ask unanimous consent that the various tables from which I quoted on pages 105 and 106 be placed in the RECORD; namely, the one covering Florida, type 14, and showing Georgia, type 14, and the three covering North Carolina, type 11, type 12, and type 13.

There being no objections, the tables were ordered to be printed in the RECORD, as follows:

I ask unanimous consent that that particular tabulation, covering Virginia type 11, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. Flue-cured tobacco: Average yield per acre, production, price per pound, and crop value by types within States, 1956-64

VIRGINIA, TYPE 11

Year	Acreage	Yield per acre	Production	Price per pound	Crop value	Year	Acreage	Yield per acre	Production	Price per pound	Crop value
	<i>Acres</i>	<i>Pounds</i>	<i>1,000 pounds</i>	<i>Cents</i>	<i>1,000 dollars</i>		<i>Acres</i>	<i>Pounds</i>	<i>1,000 pounds</i>	<i>Cents</i>	<i>1,000 dollars</i>
1956	88,000	1,560	137,280	52.8	72,484	1961	70,500	1,580	111,390	63.5	70,733
1957	67,000	1,470	98,490	51.2	50,427	1962	73,500	1,760	129,360	62.0	80,203
1958	65,000	1,640	106,600	57.9	61,721	1963	69,000	1,725	119,025	54.0	64,274
1959	70,500	1,560	109,980	54.4	59,829	1964	63,000	2,100	132,300		
1960	70,000	1,590	111,300	59.4	66,112						

Mr. HOLLAND. Anyone with an objective mind, trying to do the right thing, is of good character, and is trying to do the best to do a good job—could look at the record without coming necessarily to the conclusion that there is only one reason why the surplus has been built too high. It is because those who have produced Flue-cured tobacco other than type 14 produced so much that there has been no ready market for it, and a great quantity of it has had to go into Government warehouses, I do not need to expand on that fact. The figures speak for themselves. There is no doubt that that is the case.

It is because that is the case that I feel, in the first instance, that the proposed law would be unfortunate and unfair.

The second reason why I feel it would be unfair has to do with the fact that, no matter how speedily the Congress enacts the bill under pressure from the administration, and under the pressure of the Department handling the matter, the Department of Agriculture, we must all remember that the Under Secretary is a North Carolinian. He appeared at our committee hearings. The head of the CCC organization which buys in this product and has it under his jurisdiction is another North Carolinian. I would not charge them with having said anything falsely before our committee. They know the situation in their State and realize what it is. They are bound to be most sympathetic to the situation there. They have shown that sympathy by bringing in this kind of legislation at this time.

The same group of officials last fall proposed an entirely different sort of procedure. They suggested that the acreage be cut by 19½ percent. They submitted a referendum to the producers of Flue-cured tobacco. Senators know that such a referendum has to be approved by some two-thirds of the growers before it can be put into effect. It was so approved. It is to be followed by those who have planted, including many in my own State, including many in the adjoining State of Georgia. It will have covered everyone. It has to be approved by Congress. A large number of amendments have to be considered by the other body. Then it has to go to the President and be signed. It then becomes the subject of a referendum. This is not a first impression referendum. It is a referendum to set aside the 19½-percent acreage cut which has been already voted, and would supplant that with one which would combine the acreage and tonnage features.

If any Senator wishes to correct me if I am not accurate in my statement, I will yield for him to do so; but, as I recall it, they expected to submit the proposal of a cut of 10 percent in acreage, rather than 19½ percent, and with a poundage control such as is embraced in this measure.

So it is proposed, with all the haste that can be generated in such a bill, as a bill hereafter to be effective, when much of the acreage has been planted, to race that onto the floor of the House and to race it to a referendum, and then ask the tobacco growers to vote on it, knowing full well that the votes of those in North Carolina and southern Virginia are enough to adopt this particular measure.

Everybody knows that. We know what we are confronted with.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield to the Senator from Ohio.

Mr. LAUSCHE. What is the difference between the substitute amendment which has been offered and the bill as reported by the committee?

Mr. HOLLAND. I would be glad to answer that, but I yield to the Senator from Georgia [Mr. TALMADGE], who is more familiar with it. I would be glad to try to answer, but I am afraid I would leave out something important.

Mr. TALMADGE. The bill as reported by the Committee on Agriculture and Forestry and as submitted by the House would require every farmer to have a poundage quota as well as an acreage allotment, whereas the substitute that has been proposed by the Senator from Florida and myself would direct the Secretary of Agriculture to reduce the quota, either by acreage or poundage, of the farmer who produces a surplus that goes into the Government warehouse. The penalty would properly be paid on farmers who produce an inferior tobacco, and not on farmers who produce a tobacco finding a ready, willing, and able buyer on the marketplace.

Mr. LAUSCHE. What effect, if any, would the bill as reported by the committee have upon the farmers in Florida and Georgia?

Mr. TALMADGE. It would have a very substantial effect. First, it would nullify a lawsuit those farmers have won in the U.S. district court and again in the circuit court of appeals. That lawsuit was won by those farmers in a unanimous decision.

Second, it would change the method of allocating acreage and poundage even

after those farmers had planted a crop already growing in the field. It would be an inconceivable proposal to require different acreage and poundage requirements after the farmers were authorized last December to do what they have now done.

Mr. LAUSCHE. In the event the amendment offered by the Senators from Georgia and Florida is adopted, will there be any restrictions either by acreage or poundage on the growers of Flue-cured tobacco?

Mr. TALMADGE. Yes. The Secretary of Agriculture would be authorized and directed to reduce the marketing quota of the individual farmer in direct ratio to the amount of tobacco he contributed to the surplus that went into commodity stabilization.

Mr. LAUSCHE. Do I correctly understand that the purpose of the substitute is to impose a penalty upon those who, by increased production, create the surplus, but that the same penalty would also be imposed upon the Georgia and Florida growers, except that it would be less in degree, being proportionate to the increase which contributed to the surplus?

Mr. TALMADGE. The Senator is correct. It would impose a penalty on every farmer, on every type of tobacco, in every area, if his tobacco went into surplus in a Government warehouse instead of into a market sale. In other words, it would encourage farmers to produce for the marketplace and not the Government warehouse.

Mr. LAUSCHE. I thank the Senator from Georgia.

Mr. JORDAN of North Carolina. Mr. President, will the Senator from Florida yield, so that I may elaborate on this subject.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). Does the Senator from Florida yield to the Senator from North Carolina?

Mr. HOLLAND. I am glad to yield.

Mr. JORDAN of North Carolina. As to the question asked by the Senator from Ohio [Mr. LAUSCHE], the Secretary of Agriculture has already ordered a 19½ percent reduction in acreage for this year. The bill—regardless of whether it passes or not—will involve a 19½-percent reduction if it passes. If it does not pass, it will be the same thing. The 19½ percent reduction in acreage will stand, regardless of whether the bill fails or passes.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. TALMADGE. My understanding is that one of the amendments offered by the Senator from Kentucky [Mr. COOPER], which was agreed to by the committee, would place a ceiling of 10 percent on the reduction of any tobacco; therefore, his statement is not quite correct. I believe that the last amendment offered by the Senator from Kentucky would limit reduction to 10 percent instead of 19½ percent.

Mr. JORDAN of North Carolina. If the Senator will look it up, he will find that the 10 percent was a reduction on the displacement of the amount of tobacco in storage at the present time. In other words, the farmer could not dump his acreage in any one year, because it would completely ruin him. But we considered that the bill would treat the farmer better on an acreage-poundage bill than it would under the 19½ percent cut, because this would restore 12 percent of the acreage taken away from the farmer under the 19½ percent which he would get under the Secretary's order at the present time.

It would put 12 percent of that acreage back which the farmer can plant this year. He will not have to plant his tobacco so close together, fertilize it so heavily, irrigate it, harvest it, or market it. This will save him a great deal of money and will result in a much better grade of tobacco, because he will not be forced to grow his tobacco so close together, use high-priced fertilizer, irrigate it, and do other things which run up production costs on tobacco.

But, regardless of the type of tobacco which is grown, there is approximately a billion pounds too much tobacco in this country. We must reduce our stocks of tobacco over a period of years, or the whole tobacco program will fold up and cause serious trouble.

I thoroughly agree with the Senator about the position of the tobacco farmer today. There are 120,000 allotments in North Carolina. That is a large number of tobacco farms. That is farm allotments, not growers—approximately 120,000 tobacco farms in North Carolina.

The land on a tobacco farm averages 4 acres, and the tobacco farms stretch all along the entire State of North Carolina. I suppose this is also the case in Georgia and Florida.

Mr. TALMADGE. About half that.

Mr. JORDAN of North Carolina. The tobacco farms in the State of Georgia average 2 acres, I believe.

Mr. TALMADGE. The Senator is correct.

Mr. JORDAN of North Carolina. This bill, as I see it—and I believe I am absolutely correct—is designed to save the small farmer, not the big farmer, who can be hurt badly by the acreage-poundage bill. Consider a farmer with 4 acres planted in tobacco this year, which is cut 19.5 percent—which is nearly 20 percent. He winds up with a little over 3 acres. He is taking a great cut. If it is cut further next year, he will have something left; but pretty soon nothing will be left.

There are thousands of farms in North Carolina, South Carolina, and Georgia which consist of less than 1 acre. Take

20 percent from that 1 acre and there is not much left to fill a barn to cure any tobacco. The bill would keep the acreage almost intact. The farmer would be working on a formula.

Let me mention one further point. Figures have been quoted from the 1964 crop. The 1964 crop was an abnormally high crop. It was not considered in drafting this bill. The committee took the 3 highest years of the preceding 5 years, leaving out the 1964 crop, which was an abnormally high yield crop and should not have been taken into consideration. I believe that answers the question.

Mr. LAUSCHE. Will the Senator from Florida yield for the purpose of a question?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. The Senator from North Carolina [Mr. JORDAN] stated that whether the bill is or is not passed, by order of the Secretary of Agriculture there will be a reduction in acreage of 19½ percent; is that correct?

Mr. JORDAN of North Carolina. No; that is not exactly correct. I may have misstated myself.

Mr. LAUSCHE. Perhaps I misunderstood.

Mr. JORDAN of North Carolina. If the bill does not pass, there will be a 19½ percent acreage reduction. If it does pass and is approved by a two-thirds vote of all the farmers—because, remember, the farmers themselves must vote on the bill or else it will not become effective anyway—if they do vote in the referendum to accept the bill, as reported by the Senate committee, 12 percent of the 19½ percent acres will be restored to them, in order that they might not grow inferior tobacco on the small acres and spread it over more acres, using less fertilizer, and not till the land intensively, as they are doing at the present time.

Mr. LAUSCHE. What will be the percentage of reduction in acreage in the event the committee's bill is passed and approved? I understand the Senator from North Carolina [Mr. JORDAN] to have stated that if it is not passed, the reduction will be 19½ percent.

Mr. JORDAN of North Carolina. The Senator is correct.

Mr. LAUSCHE. But if it is passed, there will be an advantage provided to the farmer in a quantity—did he say 7½ percent?

Mr. JORDAN of North Carolina. Approximately 12 percent.

Mr. LAUSCHE. Approximately 12 percent.

Mr. JORDAN of North Carolina. Instead of being cut 19½ percent, it would be cut 6 or 6½ percent.

Mr. HOLLAND. Mr. President, this bears out the statement I was making that it is designed by the bill to enlarge the acreage permitted to be used for production in 1965.

There is a statement in the House report which I believe makes clear what was expected to be done under the bill as it was then. It has been slightly changed by Senate committee action.

The House report states that the national acreage factor will be determined

by dividing the new 1965 national acreage allotment by the national acreage allotment currently in effect for the 1965 crop, which goes into tobacco; namely, 514,265 acres. This factor would be approximately 1.180, and would restore the 1965 farm acreage allotment to approximately 95 percent of the 1964 acreage allotment, so it would cut out the 19½-percent acreage allotment already voted by the growers by more than two-thirds last December, in order to put in this new formula which according to the statement in the House report would bring up acreage allotments to approximately 95 percent of 1964.

Mr. LAUSCHE. Am I correct in understanding that under the order of the Secretary of Agriculture, the cut will be 19½ percent, and under the bill it would be approximately 5 to 6 percent?

Mr. HOLLAND. The Senator is substantially correct, except that this was not accomplished by order of the Secretary of Agriculture, but was accomplished by an offer of his made to the farmer by a referendum, which they approved by more than a two-thirds vote. Under approval of that offer the acreage for 1965 was to be reduced by 19½ percent from the 1964 acreage as to those already planted whose crops are already grown, of course. That allotment, we believe, has been followed. Whether everyone has followed it, I do not know, but any prudent man would have followed that new allotment.

Mr. LAUSCHE. What was at issue in the lawsuit that was discussed?

Mr. HOLLAND. The issue in the lawsuit discussed had to do with the failure of the Department of Agriculture or the Secretary of Agriculture to differentiate between type 14 tobacco and the other types of Flue-cured tobacco under the provisions of the law.

I am quoting now from the law, section 301 of the Agricultural Adjustment Act of 1938, as amended:

SEC. 301. (a) * * *.

(b) DEFINITIONS APPLICABLE TO ONE OR MORE COMMODITIES.—For the purpose of this title—

* * * * *
(15) "Tobacco" means each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

Flue-cured tobacco, comprising types 11, 12, 13, and 14—

Then omitting all the other part of this section, which deals with other types of tobacco and with other commodities:

The provisions of this title shall apply to each of such kinds of tobacco severally: *Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a "kind of tobacco" for the purposes of this Act if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketing thereof in order to maintain supplies in line with demand.

Mr. President, it was the contention of those producers of type 14 tobacco, who went first to the district court and won their suit there, that the Secretary,

looking at the figures that have been placed in the RECORD by the able Senator from Georgia and also by myself, in a somewhat different form, will see clearly who are the ones who have abused this program and who are the ones who have built up the tremendous surplus. They show clearly and exactly what is required by law, and the Secretary of Agriculture could have, and in this suit these growers claim should have, found that "there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustment needed in the marketings thereof."

Judge Scarlett, one of our able district court judges—I believe he sits in Savannah—ruled with the growers. An appeal was taken to the circuit of appeals, at New Orleans. Although the decision on the appeal stated that some other things had to be done, it made it very clear that the Secretary was advised to look at the law and at the figures, to see if something should not be done in connection with the law.

The case has not come to final hearing. The able attorney for the tobacco section was before our committee. He was asked the question, as I recall, by the distinguished Senator from Georgia, "Why has not that case been appealed?" As I recall, his answer—Senators will have to go to the record to find the exact answer—was substantially that the Secretary had not decided whether he wished to appeal or, instead, depend upon the passage of the proposed legislation, which is now before us, which would allow him to ignore that suit—one thing or the other, and not the two together.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. Has any thought been given to the insertion of a saving clause, so as to protect the rights of the litigants in the action that is pending?

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield in a moment. I have not given such thought. I am not a member of the subcommittee.

Mr. TALMADGE. Mr. President, will the Senator yield on that point?

Mr. HOLLAND. I yield to the Senator from Georgia. I am sure he can give the exact answer.

Mr. TALMADGE. It would change the entire method and manner of allocating and apportioning tobacco. The pending bill would provide an acreage-poundage basis, whereas the existing law authorized the Secretary to separate tobacco by classes, depending upon the production. If the Senator from Florida will yield for the purpose, I ask unanimous consent that the statement of Mr. Homer S. Durden, Jr., attorney for the Georgia Commodity Commission for Tobacco, of Swainsboro, Ga., at pages 191 to 195 of the hearings, be printed in the RECORD at this point.

Mr. HOLLAND. I have no objection.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HOMER S. DURDEN, JR., ATTORNEY FOR THE GEORGIA COMMODITY COMMISSION FOR TOBACCO, SWAINSBORO, GA.

Mr. DURDEN. My name is Homer S. Durden, Jr., of Swainsboro, Ga. I am the attorney for the Georgia Commodity Commission for Tobacco and I am speaking for Mr. Otis G. Turner, chairman, who is unable to attend this meeting because of illness.

The Georgia Commodity Commission for Tobacco is opposed to this proposed legislation on the grounds that first, the law already provides for quotas on tobacco on the basis of poundage in that the national marketing quota is determined by the Secretary of Agriculture and he proclaims the number of pounds of tobacco for the succeeding year on the basis of poundage which, under current law, he may convert to acreage basis when making the allocation of tobacco to the various States. This conversion from poundage as based on the national marketing quota to acreage to the individual State quotas is permissive and is not mandatory and it is our contention and belief that no additional legislation is necessary to establish a poundage quota basis.

Further, we oppose the proposed legislation in that no consideration is given to the farmers whose crops do not go into Stabilization. In the type 14 belt, less than 2 percent of the Flue-cured tobacco goes into Stabilization. In other belts as much as 43.6 percent goes into Stabilization. It is the tobacco held in Stabilization that primarily constitutes the surplus faced by the tobacco industry today. Of the 961 million pounds of tobacco held in Stabilization, approximately 17 million pounds represents type 14 Flue-cured tobacco. We strongly urge and believe that the quota should be adjusted taking into consideration the amount a farmer places in Stabilization from his production and sale of tobacco, and that it is not equitable to cut the quota of farmers who are not contributing to surplus in the same percentage and amount as for the farmer who is contributing to the surplus.

Rather than new legislation, we feel that a proper administration of the current law is in order. We are familiar with the statement presented by Mr. William L. Lanier, president of the Georgia Farm Bureau Federation, and adopt his presentation as ours.

I will be glad to answer any questions. I realize you are working against a time deadline.

Senator JORDAN. We are glad to have you, sir. Mr. Lanier made a fine statement yesterday. Senator TALMADGE?

Senator TALMADGE. Yes. Mr. Durden, did I understand your testimony to be that the Secretary of Agriculture now has the authority under the present law to set acreage quotas in accordance with types?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Do you have a copy of that act with you?

Mr. DURDEN. In my code. I don't have it with me.

Senator TALMADGE. Will you provide it for insertion in the record?

Mr. DURDEN. I can give you the code section, Senator.

Senator JORDAN. We have the code right here. What is the section number?

Mr. DURDEN. 7 U.S.C. 1331 I believe, or 1313.

Mr. HARKER T. STANTON (committee counsel). Section 301(b) (15) of the Agricultural Adjustment Act of 1938 provides that any one or more types of tobacco shall be treated as a "kind of tobacco" for purposes of the act if the Secretary finds there is a difference in supply and demand conditions which requires different marketing adjustments. Section 313(1) provides for increasing quotas and allotments for farms producing par-

ticular types of tobacco where necessary to make available adequate supplies of those types.

The Secretary also has authority to apportion quotas on a poundage basis.

Sections 313 (a) and (b) provide for the proclamation of national marketing quotas their apportionment to States and farms on a poundage basis.

Subsection (g), which was added to section 313 in 1939, authorizes the Secretary of Agriculture to convert State marketing quotas into State acreage allotments, and allot them to farms on a basis similar to that provided for the apportionment of poundage quotas.

Mr. DURDEN. That is permissive.

Mr. STANTON. Yes. The Secretary has the authority to make farm allotments on either an acreage basis or a poundage basis.

Senator TALMADGE. I would like to incorporate that in the record, if it is your contention.

Mr. DURDEN. Yes, sir.

(The information submitted by Mr. Stanton is as follows:)

"THE AGRICULTURAL ADJUSTMENT ACT OF 1938

"SEC. 301. (a) * * *

"(b) Definitions Applicable to One or More Commodities.—For the purpose of this title—

"(15) 'Tobacco' means each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

"Flue-cured tobacco, comprising types 11, 12, 13, and 14;

"Fire-cured tobacco, comprising types 21, 22, 23, and 24;

"Dark air-cured tobacco, comprising types 35 and 36;

"Virginia sun-cured tobacco, comprising type 37;

"Burley tobacco, comprising type 31;

"Maryland tobacco, comprising type 32;

"Cigar-filler and cigar-binder tobacco, comprising types 42, 43, 44, 45, 46, 51, 52, 53, 54, and 55;

"Cigar-filler tobacco, comprising type 41.

"The provisions of this title shall apply to each of such kinds of tobacco severally: *Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a 'kind of tobacco' for the purposes of this Act if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand: *Provided further*, That with respect to the 1958 and subsequent crops, type 21 (Virginia) Fire-cured tobacco shall be treated as a 'kind of tobacco' for the purposes of all of the provisions of this title, except that for the purposes of section 312(c) of this title, types 21, 22, and 23, Fire-cured tobacco shall be treated as one 'kind of tobacco'.

"* * * * *

"APPORTIONMENT OF NATIONAL MARKETING QUOTA

"SEC. 313. (a) The national marketing quota for tobacco established pursuant to the provisions of section 312, less the amount to be allotted under subsection (c) of this section, shall be apportioned by the Secretary among the several States on the basis of the total production of tobacco in each State during the five calendar years immediately preceding the calendar year in which the quota is proclaimed (plus in applicable years, the normal production on the acreage diverted under previous agricultural adjustment and conservation programs), with such adjustments as are determined to be neces-

sary to make correction for abnormal conditions of production, for small farms, and for trends in production, giving due consideration to seed bed and other plant diseases during such five-year period. * * *

"(b) The Secretary shall provide, through the local committees, for the allotment of the marketing quota for any State among the farms on which tobacco is produced, on the basis of the following: Past marketing of tobacco, making due allowance for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That, except for farms on which for the first time in five years tobacco is produced to be marketed in the marketing year for which the quota is effective, the marketing quota for any farm shall not be used less than the smaller of either (1) three thousand two hundred pounds, in the case of Flue-cured tobacco, and two thousand four hundred pounds, in the case of other kinds of tobacco, or (2) the average tobacco production for the farm during the preceding three years, plus the average normal production of any tobacco acreage diverted under agricultural adjustment and conservation programs during such preceding three years.

"(g) Notwithstanding any other provision of this section, the Secretary on the basis of average yield per acre of tobacco for the State during the five years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production, may convert the State marketing quota into a State acreage allotment, and allot the same through the local committees among farms on the basis of the factors set forth in subsection (b), using past acreage (harvested and diverted) in lieu of the past marketing of tobacco; and the Secretary on the basis of the national average yield during the same period, similarly adjusted, may also convert into an acreage allotment the amount reserved from the national quota pursuant to the provisions of subsection (c), and on the basis of the factors set forth in subsection (c) and the past tobacco experience of the farm operator, allot the same through the local committees among farms on which no tobacco was produced during the last five years. Any acreage of tobacco harvested in excess of the farm acreage allotment for the year 1955, or any subsequent crop shall not be taken into account in establishing State and farm acreage allotments. Except for farms last mentioned or a farm operated, controlled, or directed by a person who also operates, controls, or directs another farm on which tobacco is produced, the farm-acreage allotment shall be increased by the smaller of (1) 20 per centum of such allotment or (2) the percentage by which the normal yield of such allotments (as determined through the local committees in accordance with regulations prescribed by the Secretary) is less than three thousand two hundred pounds, in the case of Flue-cured tobacco, and two thousand four hundred pounds in the case of other kinds of tobacco: *Provided*, That the normal yield of the estimated number of acres so added to farm acreage allotments in any State shall be considered as a part of the State marketing quota in applying the proviso in subsection (a). The actual production of the acreage allotment established for a farm pursuant to this subsection shall be the amount of the farm marketing quota. If any amount of tobacco shall be marketed as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments next established for both such farms shall be reduced by that percentage which such amount was of the respective

farm marketing quota, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary or if any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the acreage of tobacco grown on the farm required by regulations issued pursuant to this Act, the acreage allotment next established for the farm on which such tobacco is produced shall be reduced by a percentage similarly computed. If in any calendar year more than one crop of tobacco is grown from (1) the same tobacco plants or (2) different tobacco plants, and is harvested for marketing from the same acreage of a farm, the acreage allotment next established for such farm shall be reduced by an amount equivalent to the acreage from which more than one crop of tobacco has been so grown and harvested.

"(i) Notwithstanding any other provision of this Act, whenever after investigation the Secretary determines with respect to any kind of tobacco that a substantial difference exists in the usage or market outlets for any one or more of the types comprising such kind of tobacco and that the quantity of tobacco of such type or types to be produced under the marketing quotas and acreage allotments established pursuant to this section would not be sufficient to provide an adequate supply for estimated market demands and carryover requirements for such type or types of tobacco, the Secretary shall increase the marketing quotas and acreage allotments for farms producing such type or types of tobacco in the preceding year to the extent necessary to make available a supply of such type or types of tobacco adequate to meet such demands and carryover requirements. The increase in farm marketing quotas and acreage allotments shall be made on the basis of the production of such type or types of tobacco during the period of years considered in establishing farm marketing quotas and acreage allotments for such kind of tobacco. The additional production authorized by this subsection shall be in addition to the national marketing quota established for such kind of tobacco pursuant to section 312 of this Act. The increase in acreage under this subsection shall not be considered in establishing future State or farm acreage allotments."

Senator TALMADGE. Is it true you are representing the Georgia Tobacco Commodity Commission, which has filed a lawsuit against the Secretary?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Is it in the nature of a mandamus?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Mandamusing him to take action in accordance with that law?

Mr. DURDEN. Not that particular section of the law, Senator TALMADGE. The lawsuit is based on the legal theory that under the law where there is a difference in supply-and-demand conditions amongst the types of Flue-cured tobacco of such a degree as to warrant a difference needed in the adjustment for supply, to bring it in line with demand, the Secretary treat that type or types of Flue-cured tobacco as a separate kind of tobacco.

We contend, using Government figures, that in 1963 Georgia had 2.8 percent type 14 Flue-cured tobacco to go into stabilization, where some of the other belts put in as much as 46 percent, and that there is such a difference in the supply-and-demand conditions that we should treat type 14 as a separate kind of tobacco.

Senator TALMADGE. In other words, your contention is they ought to reduce where the surplus tobacco lies?

Mr. DURDEN. Correct.

Senator TALMADGE. And not where there is no surplus tobacco.

Mr. DURDEN. That is correct.

Senator TALMADGE. What has happened to your lawsuit?

Mr. DURDEN. The oral arguments were held before the Fifth Circuit Court of Appeals in Atlanta on October 5.

Senator TALMADGE. What happened in the lower court?

Mr. DURDEN. The lower court ruled with the plaintiff and joined with the Secretary.

Senator TALMADGE. You prevailed in the Federal district court?

Mr. DURDEN. We did, sir.

Senator TALMADGE. And the Department of Agriculture appealed?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. And that appeal is now pending in the Fifth Circuit Court of Appeals?

Mr. DURDEN. Correct, sir.

Senator TALMADGE. That is the status of it now?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. So if this bill is passed, what would that do to your lawsuit?

Mr. DURDEN. I think it would legislate it out of court, sir.

Senator TALMADGE. You, of course, recognize that the tobacco industry is in a serious condition by oversupply?

Mr. DURDEN. Yes, sir. I am fully aware of that. I might say that my family, we have been growing tobacco since 1928. My father used to be a director of the Tobacco Division for the Department of Agriculture, and I reckon I have slept on about as many piles of tobacco waiting for it to be sold as anybody in this room, and I am fully aware of the situation, what we are faced with.

However, I say, that we did not create it in the type-14 area. It was created elsewhere, and we should not be punished by taking these cuts, which is through no fault of our own.

Senator TALMADGE. You say that the present law authorizes a present remedy to reduce quotas of tobacco which is now in surplus?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. And that you have filed suit under that theory of present law, and prevailed in the district Federal court, and the Department has appealed it to the fifth circuit?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. And you think if the Secretary took action in accordance with your theory of the law, that the supply of tobacco wherein the surplus lies would be reduced and therein the taxpayers would fail to lose money on it, and the farmers that produce quality tobacco could continue to do so.

Mr. DURDEN. Yes, sir.

Senator TALMADGE. That is your argument?

Mr. DURDEN. That is my argument.

Senator TALMADGE. That was the substantial argument I believe of Mr. Lanier representing the Georgia Farm Bureau Federation yesterday.

Mr. DURDEN. Yes, sir.

Senator TALMADGE. Also, substantially the argument, though it didn't go into the legal details, of the group who appeared for the South Carolina Farm Bureau this morning.

Mr. DURDEN. Yes, sir.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I promised first to yield to the Senator from North Carolina.

Mr. JORDAN of North Carolina. I should like to answer one question with respect to the provision in the bill calling for an acreage-poundage basis. The

acreage would be increased by the bill, but the poundage would be reduced. A farmer could grow only so many pounds.

Going back to the attorney of the Department of Agriculture, and what he said in committee—I was present and heard all the discussions—I do not believe that the attorney said this provision would change the law. It would not change the law at all. This would give the farmer an opportunity to vote on whether he wished to go on a poundage-acreage basis or to stick to the old law.

Mr. HOLLAND. The Senator means acreage-poundage basis, does he not?

Mr. JORDAN of North Carolina. Yes. It does not affect the present law at all. He would still have the right to sue if he wished to sue under the old law.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. TALMADGE. I refer to page 195 of the hearings. Mr. Durden testified before the committee as follows:

Senator TALMADGE. You prevailed in the Federal district court?

Mr. DURDEN. We did, sir.

Senator TALMADGE. And the Department of Agriculture appealed?

Mr. DURDEN. Yes, sir.

Senator TALMADGE. And that appeal is now pending in the Fifth Circuit Court of Appeals?

Mr. DURDEN. Correct, sir.

Senator TALMADGE. That is the status of it now?

Mr. DURDEN. Yes, sir.

Since then the court has handed down its opinion. The farmers won.

Senator TALMADGE. So if this bill is passed, what would that do to your lawsuit?

Mr. DURDEN. I think it would legislate it out of court, sir.

Counsel for the farmers believes that if the bill is passed it will legislate them out of court. He was a good enough lawyer to win the case over the Department of Agriculture in the District Court for the Southern District of Georgia, and also was able to obtain a unanimous decision in the Fifth Circuit Court of Appeals. His decision is in complete variance with the opinion of the distinguished Senator from North Carolina.

Mr. JORDAN of North Carolina. I agree with what the Senator has said. I am not quoting Mr. Durden. He is the lawyer for the Georgia Tobacco Growers. I am talking about the lawyers from the Department of Agriculture. My understanding is that the bill would not repeal the present law. I am sure it would not. Conditions would still remain as they are, whether the bill is passed or not. So far as the farmers being able to sue is concerned, they would still be able to sue.

Mr. HOLLAND. Mr. President, my comment was not with respect to the hearings or the statement of the lawyers at the hearings. It was with reference to the statement of the chief counsel at our executive meeting when we were marking up the bill. The Senator remembers this, I am sure. He was there.

The question was whether the Secretary of Agriculture had appealed the case. The lawyer said he had not. The next question was, "Why not?"

The answer was that he had not decided whether to appeal it or wait to see whether the pending bill would be enacted. The Senator from North Carolina was present. If he knows of any different construction that can be placed on what the attorney said, I shall yield to him to state it. However, I was sitting as close to the attorney as I am to the able senior Senator from North Carolina [Mr. ERVIN]. I am always close to the senior Senator from North Carolina except that in this instance I am sorry that he has gone astray in connection with this case. I know perfectly well what the attorney said at that time.

I now yield to the distinguished Senator from North Carolina to state whether he has a different recollection of what was said.

Mr. JORDAN of North Carolina. My recollection is he said that the problem would remain regardless of whether the bill was passed or not. He said the Secretary had not decided whether he would appeal the case to the Supreme Court. The decision had been handed down only a short time before.

Mr. HOLLAND. The Senator's recollection is substantially the same as mine. He said that the Secretary had not made up his mind as to whether he would appeal. He also said that he would wait to see whether the proposed legislation was passed.

I am now glad to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I hope the Senator will permit me to state one factor relative to our present tobacco situation, which I do not believe has been referred to so far in the debate. It goes back 5 years, when the United States put restrictions on the importation of oil from other countries. I was in Venezuela shortly thereafter. Some of the officials there were not happy over our putting restrictions on their selling oil to the United States. They said the only thing for them to do, in order to keep their trade in balance, would be to buy less from the United States. I asked one of these officials what those articles would be. It developed that they would try to produce more tobacco and buy less tobacco from us, also less rice and less dairy products.

As a result, the record of the last full year will show that their purchases of tobacco from the United States fell off 80 percent. Purchases of rice fell off about the same percentage. Purchases of dairy products fell off enough so that their purchases of tobacco, rice, and other farm commodities from the United States were cut \$13 million worth.

When we consider that \$13 million and add to it the \$40 million which the people of Florida and the five New England States have to pay extra for domestically produced oil which comes over devious transportation routes, we find that we are paying a pretty high price for that little contribution to a few of our oil companies, including the loss of our tobacco market in countries which formerly bought nearly all their tobacco from the United States. That is one reason why our tobacco supply is going

up and why the cost of petroleum products has gone up in certain States.

I thought this should be pointed out. The loss of our tobacco markets is not due entirely to the quality of the tobacco.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield. First, I should like to thank the distinguished Senator from the maple country and the country of McIntosh apples for the contribution which he has made. It shows that we are all one big country, and artificial action often works hardship on some of our own people and at the same time hardship on some people offshore. Unexpected results often follow.

I am talking today not because I am happy to break up the unity that has customarily prevailed among the tobacco producers, but because I think a great hardship would be imposed on a certain group of tobacco farmers who have not contributed to the present terrible situation and who ought not to be punished in the way proposed.

Mr. President, not claiming any particular magnanimity for myself, I merely wish to remind my distinguished friends from North Carolina that when they had a somewhat similar situation in which it was shown that the so-called baseball ground peanuts were selling to better advantage than the smaller or oil peanuts, I was glad to join in voting out of the committee and in approving on the floor of the Senate, with a short statement, the act which gave the Secretary specific directions to differentiate, because of the market, between those two different products.

There had been shown a great difference between the acceptability of the large peanuts and the smaller oil-filled peanuts.

Only last year my distinguished friends were laboring in the vineyard for their constituents. I never blame them for doing so. I remember having carried their battle not only in the committee, but on the floor of the Senate in behalf of greater experimentation in the field of tobacco. My recollection is—and I see my distinguished friend from Kentucky is present—that we provided an amount of over \$2 million in the appropriation bill which I had the honor to handle both in committee and on the floor in order to step up experimentation for a great commodity which was in bad shape. My recollection is that the amount appropriated, which was something over \$2 million, went to the two great States of North Carolina and Kentucky. I was glad to help get it there, because they are the centers of tobacco production, both Flue-cured and burley tobacco. I shall not hesitate to do so again.

I am sorry we are having this argument because I think anything that breaks down harmony in an industry of this kind is unfortunate. But I cannot sit idly by and see the producers of my State, who have not contributed to this surplus, who have already planted, and who, including the producers in Georgia

and South Carolina, have won their case so far in the district court and in the Circuit Court of Appeals, in effect legislated partially out of existence for the benefit of other portions of the industry which have brought about this surplus production—and there is no doubt of it. The facts that I have read into the RECORD show that, and no one can dispute it. They have created this surplus, and we should not be punished for their dereliction in this matter.

Mr. President, because I did not wish to have a breakdown of harmony in committee, I made a proposal which I thought was fair to the distinguished junior Senator from North Carolina. I asked him for a year's extension for Flue-cured tobacco of the type that the able and distinguished Senators from Tennessee and Kentucky had already obtained for burley tobacco, which has not yet been planted and will not be planted for some time to come—they had insisted that it be applicable to burley tobacco only and the bill should not be made effective in 1965 for burley tobacco but only, for the first time, for 1966, I said that I would not fight the bill on the floor if this was done. I probably would have to vote against it. But it certainly would give my people, along with others, an opportunity to study the situation and to vote as they saw fit on the subject of a referendum next year.

But after a referendum had been voted and approved by more than two-thirds of those participating and that referendum was upon a basis proposed by no one else but the Secretary of Agriculture and his people as the remedy that was needed to meet the situation and was voted in December, then to come along after we have planted—and we are the only part of the industry which has planted—and put this hardship upon us is not fair. That is not equity, and no one can stand on the floor of the Senate and say that it is equity.

Mr. President, I am glad to yield to my good friend from North Carolina if he wishes me to yield.

Mr. JORDAN of North Carolina. Mr. President, I appreciate all the things which the distinguished Senator from Florida has had to say about the bill.

Mr. HOLLAND. The Senator remembers my proposal made to him, does he not?

Mr. JORDAN of North Carolina. I do. The Department of Agriculture did not think it was a good thing to put it off for the reason which I shall state.

Mr. HOLLAND. Is the Department of Agriculture deciding this question, or is the Senate deciding it now?

Mr. JORDAN of North Carolina. The Committee on Agriculture and Forestry reported the bill.

The Department had suggested that the bill should be passed in the way it is reported this year because we all know that when there is a prospect of a reduction based upon poundage, acreage, or some other basis, the farmer is as smart as any other businessman in the United States, and he is smarter than a great many of them. Therefore, this year he would produce every pound of tobacco he could produce on the acreage allotted to him.

A great many records and tests show that farmers can increase their poundage to over 4,000 pounds per acre—not on sorry land—but they can do it; it has been done. Last year 2,200 pounds an acre were produced.

They honestly believe that if that situation should prevail another year, a large surplus will be put in stock this year, and the program will come into further jeopardy.

That is the reason for the desire to have the referendum.

The Senator will remember that in 1955 the farmers, under a 3-year acreage program which they voted upon at that time, came back and voted again, under circumstances similar to those that now exist, further to reduce their acreage because of the great surplus that they had built up at that particular time as a result of the 1954-55 crop, I believe. It was an inferior grade of tobacco, which was later dumped on the market at a very cheap price.

They did the same thing again.

The proposed legislation would not do anything to the farmer. The farmer has a right to decide whether he wants the program or whether he does not want it. I have not talked with a single farmer—and I have spoken with a great many of them—who wants to see this tobacco program with support prices get away from him because if it does, he knows that he will never get it back, and tobacco will be in a serious situation. In North Carolina we have earnings of \$1.2 billion in agricultural products each year.

A little more than half of that is tobacco income. Georgia produces much of that income. Much of that is their income.

The Senator from Georgia has pointed out that South Carolina does the same thing. It means a great deal to the economy of the sections that raise tobacco. The bill would stop the continual cutting of acreage of farmers, particularly tobacco farmers, who have a half-acre minimum, below which it is not feasible to cut.

If the Flue-cured tobacco producers had such protection, they would not be worried about what is happening now. But if we continue to cut their acreage, pretty soon the Flue-cured tobacco producers will not have any acreage left, when we consider the small acreage that they have.

I observe that my distinguished colleague from North Carolina wishes to make a statement. I should like to yield to him, if I have the floor.

Mr. HOLLAND. I am happy to yield to the distinguished senior Senator from North Carolina.

Mr. ERVIN. I should like to ask my colleague from North Carolina to turn to page 105 of the hearings, to see if my understanding is correct that the Flue-cured production of North Carolina has been cut, while that of Florida has been increasing.

On page 105, with respect to U.S. Flue-cured tobacco, does not the record show that in 1956 Florida produced 21,682,000 pounds?

Mr. JORDAN of North Carolina. The Senator is correct.

Mr. ERVIN. Does not the table show that in 1964 Florida produced 22,239,000 pounds?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. Is not that an increase of 557,000 pounds?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. Going to the table for North Carolina, type 11 tobacco, does not the table show that in 1956 North Carolina produced 346,175,000 pounds?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. In 1964, did not North Carolina produce 352,600,000 pounds?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. That was an increase of 16,425 pounds, was it not?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. As to type 12 tobacco, does not the table show that North Carolina in 1956 produced 496,320,000 pounds?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. Does not the table show that in 1964 North Carolina produced 479,750,000 pounds of type 12 tobacco?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. Is not that a decrease of 16,570 pounds?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. Going to the following page, page 106, does not the table show that North Carolina, in 1956, produced 119 million pounds of type 13 tobacco?

Mr. JORDAN of North Carolina. The Senator is correct.

Mr. ERVIN. Does not the table show that in 1964 North Carolina produced 117,500,000 pounds of type 13 tobacco?

Mr. JORDAN of North Carolina. That is correct.

Mr. ERVIN. Is not that a decrease of 1,500 pounds of type 13 tobacco?

Mr. JORDAN of North Carolina. It is a very small decrease, but it is a decrease, nevertheless.

Mr. ERVIN. If we add 16,570,000 pounds to 1,500,000 pounds, what is the total?

Mr. JORDAN of North Carolina. It is 18,070,000 pounds.

Mr. ERVIN. And what is the difference between that total and the total of type 11 tobacco which showed an increase of 16,425,000 pounds?

Mr. JORDAN of North Carolina. It is a little over a thousand pounds.

Mr. ERVIN. In other words, the calculation shows that North Carolina, instead of having a large increase between 1956 and 1964, sustained a decrease in production 1,645,000 pounds, whereas Florida's production increased by about 557,000 pounds.

Mr. JORDAN of North Carolina. That is what the figures appear to show.

Mr. HOLLAND. Mr. President, the figures produced by my dear friend the distinguished senior Senator from North Carolina [Mr. ERVIN], are interesting, but they simply do not apply to this

situation at all. This trouble has arisen in the past 4 years.

If Senators will look again at the same tables from which the senior Senator from North Carolina quoted only the figures for 1956 and 1964, 9 years later, they will see that in the case of each of the types of tobacco produced in North Carolina, the production has gone away up in that period of time. They will find also that production per acre has gone away up. That appears in the table just before the one the senior Senator from North Carolina was quoting from.

For instance, as to type 11, the table shows production going away up from 1,670 pounds per acre in 1961 to 2,150 pounds per acre in 1964.

With respect to type 12 tobacco, the increase was from 1,875 pounds per acre in 1961 to 2,375 pounds per acre in 1964.

As to type 13, the increase was from 1,900 pounds per acre in 1961 to 2,350 pounds per acre in 1964.

Another thing as to which the Senator from North Carolina has probably not been advised is that the total acreage has been greatly reduced from the year at which he began, 1956 through 1964. The plain facts—I have already placed them in the RECORD in some detail—are that in the 4 years in which these tremendous surpluses have been amassed, the areas amassing them have been North Carolina and Virginia, as will be seen by looking at the tables of the four types of tobacco produced in that particular part of the Flue-cured tobacco area. The figures themselves will explain the truth of that statement, whereas in the case of both Georgia and Florida, if the Senator wishes to go over those tables again, he will see that the total production has diminished.

He will see also that the amount going to Government warehouses is still very small. In 1964, it was only 1.7 percent for all the type 14 tobacco as against an average of 19.3 for all types of tobacco, including the 1.7 percent.

There is no question that it is the great producing areas in North Carolina and Virginia that have created the surplus that has brought about a crisis. The legislation now proposed is drafted in such a way as to bear down the hardest upon the small, indefensible areas which have not created the surplus; whose product has been sold to the extent that only 1.7 percent of it went to Government warehouses last year; and whose crops has already been planted and who are, therefore, to be subjected to particular hardships.

There is no question about what has happened. I regret that it has happened. I have been trying to move in a way that would help in this situation. The whole industry seemed to be moving in that direction by cutting acreage about 19.5 percent in the referendum held in December. But now a large part of the industry does not want to accept that decision. It wants to have a smaller acreage reduction and wants to have, instead, a poundage figure established not in accord with what it has been producing, but in accord with what Florida and Georgia have been producing per acre.

It is too bad to see this kind of punitive treatment applied to people who have won their case in court, who have proceeded according to the referendum already adopted, but which they did not like, a referendum which cut their acreage by 19.5 percent; and who will be forced, if the cut is passed and if the referendum is approved, let us say, a month from now, to go under that new system after every acre that is producing type 14 tobacco will have been planted. Everybody knows that is the case.

Mr. ERVIN. Mr. President, I rise in opposition to the substitute.

Before I discuss it generally, I point out that what we sell is pounds, not acres. Between 1956 and 1964, the tobacco growers of Florida increased to a slight degree the poundage of tobacco which they were producing, whereas the tobacco growers in North Carolina decreased to a slight degree the tobacco which they were producing.

Now, the figures indicate that the production of the Florida type 14 kept increasing constantly, or virtually so, from 1956 to 1964, whereas North Carolina decreased its production of this crop for the few years following 1956. Thereafter, North Carolinians evidently learned something from our smart friends in Florida, and stepped up their production. But they never did reach the point where they exceeded their relative production as compared with Florida in 1956.

I deeply regret that my good friends from Florida and Georgia are on the other side of this question. As the Senator from Florida pointed out—they have usually stood shoulder to shoulder with us. What we are trying to do in this bill is to end the increase in production and bring about a decrease.

I think all of us agree that tobacco growing is in a serious state. While acreage has been cut—several times in Georgia, Florida, North Carolina, South Carolina, Virginia, and everywhere that Flue-cured tobacco is grown—those farmers who were financially able to do so, and had a sufficient acreage allotment, fertilized their tobacco, and, in many cases, irrigated their tobacco. Those farmers would be placed by this bill under more stringent requirements than the smaller growers in Florida, Georgia, South Carolina, North Carolina, Virginia, and elsewhere.

This is a bill to save a program upon which 750,000 American farm families depend for their livelihood in whole or in part. The ones who have contributed most to the increase in the tobacco production, regardless of whether they live in Florida, Alabama, Georgia, South Carolina, North Carolina, Virginia, or elsewhere, have been those with the largest acreage allotments. They have been financially able to employ fertilizer and irrigation to a high degree and, thus multiply their production above that of others.

The bill would make more drastic cuts in the amount of tobacco which they could produce for the market. By so doing, it would contribute to the salvation of a farm program which is essential to the prosperity of the South Atlantic States.

My friends charge North Carolina and Virginia with being responsible for more tobacco going into stabilization. Tobacco buying is a peculiar profession. The work of a tobacco buyer is seasonal in nature. No tobacco company engaged in the manufacturing of tobacco is going to buy tobacco after it has bought its supply for the year to put in storage for aging.

I could use a very simple illustration on this point. When a man sits down to the table to eat, he quits eating when his appetite is satisfied. This simple statement illustrates why tobacco buyers and tobacco companies quit buying tobacco when their annual quotas are purchased, and why this bill ought to pass to curtail the production of tobacco above that required for domestic use and export.

Each tobacco company has a quota of tobacco which it is to buy during a given market year. When the tobacco company reaches its quota, it will stop buying. When the tobacco buyer buys his quota for his company, he will stop buying tobacco and his holiday will start so far as tobacco buying is concerned.

What happens? The markets open earlier in Florida and Georgia than they do in North Carolina, South Carolina, and Virginia. The natural thing for the tobacco buyer to do, if he finds tobacco that is suitable for him, is to fill his quota as early as possible. That is human nature. When he reaches the quota assigned to him by his company, his tobacco-buying days are over for that season.

Good Flue-cured tobacco is grown in Florida, Georgia, Alabama, South Carolina, North Carolina, and Virginia. The overwhelming amount of tobacco grown in all of those States is good tobacco.

We have type 14 tobacco merely because Flue-cured tobacco grown in Alabama, Florida, and Georgia is so designated. Every year, North Carolina tobacco growers take parts of their crops, which have matured early down to the Georgia market and sell it as type 14. There is very little, if any, difference between the types. One type can be passed off on the market as type 14, or some other type, because the tobacco is similar and the definition of type 14 is artificial.

While I am on that subject, I wish to say that I agree with my colleague in that I do not see how the lawsuit would be affected substantially by the bill. The lawsuit is based on the proposition that in determining whether there is an oversupply of Flue-cured tobacco, the Department of Agriculture, should treat each type of Flue-cured tobacco separately and make separate determinations to each of them and make separate allotments on that basis rather than upon all Flue-cured tobacco, as it has done in the past.

The decision of the district court was that in determining whether there is an oversupply of tobacco and whether there should be a reduction in the production of tobacco, the Department of Agriculture should appraise each type of tobacco separately and make allotments on that basis—despite its contrary practice in the past and despite the fact that

all types are used to manufacture the same cigarettes.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. TALMADGE. I drafted a salvation or preservation clause that would protect the rights of the litigants in this matter. If it has the approval of the distinguished senior Senator from North Carolina and the distinguished Senator in charge of the bill, the junior Senator from North Carolina [Mr. JORDAN], I would like to offer it at this time with the consent of the Senator from North Carolina, and have it adopted. It reads as follows:

SEC. 4. Nothing in this Act shall be construed as affecting the authority or the responsibility of the Secretary of Agriculture under Section 301(b) (15) of the Agricultural Adjustment Act of 1938 with respect to providing that different types of tobacco shall be treated as different kinds of tobacco or with respect to increasing allotments or quotas for farms producing certain types of tobacco.

Will the Senator agree to that, or will the Senator in charge of the bill agree to it?

Mr. ERVIN. I did not understand the last part.

Mr. TALMADGE. I show the draft to the distinguished Senator. It was prepared by counsel for the Committee on Agriculture, Mr. Harker Stanton, with the understanding that it would protect the rights of the litigants in my State in the case that was pending, or has recently been pending, in the Fifth Circuit Court of Appeals.

Mr. ERVIN. I am not in charge of the bill, but if I were, I would not accept the amendment. In the first place, it has not been before the committee—

Mr. TALMADGE. I understood the Senator to say that the rights of the litigants would be protected.

Mr. ERVIN. There is language in the draft with respect to increases "in allotments or quotas for farms producing certain types of tobacco."

Mr. TALMADGE. That is the language of the 1938 Agricultural Adjustment Act. I thought the Senator was arguing eloquently and earnestly, as he does in any cause he espouses, that it would not affect any of the litigants.

Mr. ERVIN. If I were in charge of the bill, I would not agree to any language that would be subject to the interpretation that it would not authorize any change in the allotment of farms.

Mr. TALMADGE. That is the language of the Agricultural Adjustment Act. That is what the lawsuit is all about.

Mr. ERVIN. That would defeat the purpose of the bill, which is to change quotas.

Mr. TALMADGE. The Senator admits that the purpose of the bill is to kill my farmers' lawsuit.

Mr. ERVIN. No, I do not.

Mr. TALMADGE. I was hoping the Senator would have convinced himself of his argument.

Mr. ERVIN. I have, but I would not be agreeable, if I were floor manager of the bill, to accepting language that

would be susceptible to an interpretation that quotas could not be changed. That question would still be open to the determination of the Secretary of Agriculture.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. HOLLAND. I understand that the Senator has taken the position that there is no substantial difference between types except as to where they are produced. I notice that the series of compilations from which he is quoting, on pages 105 and 106 of the printed hearing record, shows three different types with reference to North Carolina—North Carolina type 11; North Carolina, type 12; North Carolina, type 13.

Is the Senator contending that there is no difference between types 11, 12, and 13, all of which are shown as being produced in that same State?

Mr. ERVIN. I am contending that tobacco classified as type 11 can qualify in most instances as type 14, so far as chemical and natural composition of the leaves are concerned. Type 14 is an artificial name given to Flue-cured tobacco grown in Alabama, Georgia, and Florida. I also contend that some North Carolina tobacco growers who grow types of tobacco bearing other designations take it down to Georgia, where it is accepted as type 14 on the Georgia market.

There is no discrimination here as between Flue-cured tobacco and burley, because burley has not reached a stage of over-production comparable to that of Flue-cured tobacco. That statement is made manifest by the fact that there are approximately 252.3 million pounds of burley in Government stocks, whereas there are 961.1 million pounds of Flue-cured tobacco in Government stocks. The situation in burley is not nearly as desperate as in the Flue-cured field.

There is one other thing to be said. As I pointed out, tobacco buyers start buying on the Florida and Georgia markets. As soon as they get their quotas, they stop buying. As soon as tobacco companies get their quota, they stop buying.

As a result of overproduction in all States which grow Flue-cured tobacco, we have over 900 million pounds of such tobacco on hand.

There is another reason why Florida and Georgia tobacco is bought first. North Carolina markets handle so much tobacco that there is a rule under which Federal authorities will not inspect and grade North Carolina tobacco after the first 3 or 4 days unless that tobacco is tied. Flue-cured tobacco is sold untied in Florida, and it is sold untied in Georgia. It is sold tied in North Carolina because of this practice of the Federal inspectors.

It costs \$6 a hundredweight, in labor, to tie the tobacco. Consequently, the tobacco on the North Carolina market costs about \$6 a hundredweight more than does the untied tobacco in Florida and Georgia. Tobacco companies naturally prefer to buy tobacco which is low in cost in filling their quotas.

The bill before the Senate would pre-

vent the continual and piling up of tobacco surpluses because of the ability of those having large acreage allotments to use fertilizer and irrigation and thus increase their production at the expense of small tobacco growers.

The bill should be passed as soon as possible in order to give the growers of Flue-cured tobacco an opportunity to say whether they prefer this type of bill, which will make controls work where they have not worked in the acreage allotment field.

Passage of the bill would promote the welfare of the average tobacco grower, and especially that of the small grower, not only in North Carolina, not only in Virginia, not only in South Carolina, but in Georgia and Florida also, and would contribute to the saving of one of the best and most essential agricultural programs that we have.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. HOLLAND. Does the Senator think it is equitable, under this bill, to have growers who produce Flue-cured tobacco able to market, with price support, only 10 percent of overproduction of their tonnage or poundage quota without penalty, whereas the producers of burley tobacco are allowed to market 20 percent overproduction of the poundage that is allotted to them without penalty? What is the equity between the two different products with respect to marketing above the total poundage allotted?

Mr. ERVIN. I believe that the equity arises out of the fact that we have so much more Flue-cured tobacco in Government stocks than burley. We can talk about type 14, type 11, and all these other types of tobacco. The fact is that all of them are used to manufacture the same cigarettes which are smoked by the same individuals. There are no great difference between these different types of tobacco. This is a bill to save the tobacco program for all who grow Flue-cured tobacco.

ALLEGED DIVERSION OF U.S. AID FUNDS INTENDED FOR IRAN

Mr. McCLELLAN. Mr. President, will the Senator from North Carolina yield?

Mr. JORDAN of North Carolina. I am glad to yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, in May of 1963, a man representing himself to be the Khaibar Khan contacted some other Members of the Senate and reported a large diversion of U.S. aid funds intended for Iran. He was referred to the Permanent Subcommittee on Investigations. At his request, the subcommittee gave him the opportunity to testify under oath in executive session. This man, who is also known as Khaibar Khan Goodarzian, represented himself to be the leader of a large group of Iranian tribesmen. In all, three executive sessions of the subcommittee were held to accommodate him. Each session was at his own request.

Khaibar Khan and his secretary and associate, Miss Mariam Kushan, pre-

sult in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats, and rye.

2. The feed grain acreage diversion program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The limitation on payments of 50 percent of the price support rate would be removed.

(b) The Secretary may permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(c) The program would be limited to corn, grain sorghums, and, if designated by the Secretary, barley.

(d) The payment limitation of 20 percent of the fair market value with respect to acreage involved in the program would be removed.

(e) The malting barley exemption would be removed.

3. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

TITLE III—RICE

Title III of the bill would authorize a marketing certificate program for rice for 2 years—1966 and 1967—similar to the marketing certificate program for wheat. Marketing quotas would remain in effect.

1. The Secretary would proclaim a national acreage allotment equal to the number of acres which the Secretary determines will, on the basis of the projected national yield and expected underplantings of farm acreage allotments, produce an amount of rice which, together with the estimated carryover, would be adequate to make available a supply equal to estimated domestic consumption, exports, and an adequate carryover. The minimum national acreage allotment would be one which would produce not less than 60 million hundredweights of rice instead of the 1,652,596 acres specified under existing law.

2. Producers would receive a rice marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the rice crop which will be used in the United States during the marketing year except for seed. Provision is made for issuing additional certificates to be financed by Commodity Credit Corporation on the first 1,500 hundredweight of each farmer's production. Thus, small producers would receive relatively the highest returns from marketing certificates.

3. The marketing certificates would have a value per hundredweight equal to the difference between the price support on certificate rice and noncertificate rice.

4. Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into the United States, but the value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates from (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial.

5. Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

6. The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from

the program currently in effect to the marketing certificate program.

7. Price support—

(i) for rice with marketing certificates would be between 65 and 100 percent of parity;

(ii) for noncertificate rice would be at such level, not in excess of parity, as the Secretary determines will provide orderly marketing of rice and retain an adequate share of the world market, taking into consideration the price of rice in world markets and other factors.

8. The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

9. After 1967, the existing provisions of law for acreage allotments, marketing quotas, and price support will again become effective.

Title III would also provide authority to reduce the rice acreage allotment for any farm if the farmowner or landlord evicts or otherwise mistreats a rice tenant or sharecropper on the farm.

TITLE IV—WOOL

Title IV would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that act by deleting the presently stated policy of encouraging domestic production of 300 million pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360 million pounds if such support level would not exceed 90 percent of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support based upon each producer's marketings during the marketing year. Thus, small producers would receive relatively the highest returns from price support.

TITLE V—CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act to authorize a long-term cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife, and recreational resources, and for the prevention of air and water pollution.

The Secretary would be authorized to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than 5 years nor more than 10 years.

Grazing would be prohibited except in the case of severe drought, flood, or other natural disaster.

In return for the producer's diverting his cropland to approved uses, the Secretary would share the cost of establishing such uses and make an annual payment to the producer for the period covered by the contract. Authority would be given to the Secretary to make the annual payments for all years of the contract upon approval of the contract or in installments.

The total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such

county as the Secretary determines would not adversely affect the economy of the county.

For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, the Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources and prevent air and water pollution.

Title V would also provide authority under which the Secretary would be authorized to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses.

TITLE VI—TRANSFER OF ALLOTMENTS

Title VI would authorize the Secretary to permit the transfer by sale, lease, or other means of acreage allotments, base acreages, and sugar proportionate shares which have been established under Federal law, including the transfer from one farm owned by a person to another farm owned by him. The Secretary could not authorize the transfer of allotments, base acreages, and proportionate shares unless he determined that the effective operation of the program involved would not be impaired.

No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien unless agreed to by the lienholder, or until a copy of the transfer had been filed with the county committee of the county to which transferred and it was determined by the committee that it complied with the provisions of the statute.

The transfer of an allotment, base acreage, or proportionate share also would include the acreage history and marketing quota attributable thereto.

The Secretary would be required to prescribe regulations governing transfers including provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield, and for putting reasonable limits on the size of the resulting allotments.

If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment in the contract or agreement would be appropriately adjusted, but no similar adjustment would be made for the farm to which the transfer is made.

Provisions of existing law authorizing leases of tobacco allotments and transfer of producer rice allotments would be repealed.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The Senate resumed the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. ELLENDER. Mr. President, a little more than 28 years ago, I introduced that title of the law which now

covers tobacco. During the entire time the tobacco law has been on the statute books, somehow, in some way, tobacco growers when they wanted to amend the law, got together and agreed to present a united front with respect to any changes to be made.

I point out that since 1956 the acreage in tobacco has decreased from 875,200 acres to 626,000 acres. All of that reduction was agreed to by the tobacco growers. I regret that today there is some difference of opinion among the tobacco growers.

I attended the hearings and was present when all parties testified on the proposal now before the Senate. Except for some of the witnesses from Georgia and Florida and a few others who testified against the bill, the rest of the tobacco growers of the country seem to be in accord.

I believe the record will show that the tobacco growers of Georgia and Florida produce from 10 to 13 percent of the Flue-cured tobacco that we are discussing. The rest of the crop is produced in North Carolina, South Carolina, Virginia, and some in Kentucky.

I gave consideration to the fact that there was testimony in the hearings tending to show that under the law last year the Secretary of Agriculture presented a proposal to the tobacco growers whereby they were further to reduce their acreage by 19.5 percent. That proposal was submitted to the farmers. It carried by over two-thirds of those voting. That concerned me. However, I learned later that a precedent had been established in 1955. The farmers had previously approved marketing quotas for the 1953, 1954, and 1955 crops of burley tobacco. The Secretary established quotas for 1955 which required a 10 percent reduction in allotments. This was not a large enough reduction, and legislation was passed providing for a further 15-percent reduction, if approved by farmers in a referendum. I believe that action constitutes a valid precedent for the present bill. It is up to Congress to make this change if it sees fit. If the present bill is enacted, it would mean that the tobacco growers would be given another opportunity to vote on a proposal which will reflect the new provisions of the pending bill.

There is no doubt that something must and should be done with respect to tobacco. I understand that the administration is in favor of the bill as presented with the possible exception of one amendment offered by the distinguished Senator from Kentucky. But, I do not believe there is much opposition to that amendment.

If the tobacco price support program is to continue, be of value and not hurt the farmers in the future, it seems to me that something must be done to curtail the enormous surplus now in the warehouses.

As my good friend from North Carolina pointed out, because Florida and Georgia markets for tobacco open a little earlier than the tobacco markets in Virginia, South Carolina, North Carolina, and Kentucky, they have an advantage

in being able to sell their crops at an earlier date. I understand that was the reason given by witnesses as to why there is less tobacco placed under loan from Florida and Georgia.

The fact remains that about 88 percent of the tobacco that we are talking about now—a tremendous percentage—is grown in the States of North Carolina, South Carolina, and Virginia in particular. It would seem to me that unless something is done to alleviate this surplus we will be in serious trouble. This bill, if enacted, will correct the problem by putting the production of tobacco on an acreage-poundage basis rather than just acreage. Because of this there will likely be a reduction in production this year.

There is no doubt in my mind that reductions in tobacco acreage have stimulated intensive cultivation and growth of much tobacco that is now not of high quality. As the acreages of the farmers decrease they pour a little more fertilizer on the crop, they plant the tobacco stalks a little closer and the rows a little closer, resulting in more production.

As a result, as I recall, the production of tobacco has increased from about 600 to 800 pounds per acre, when the bill was first put on the statute books, to about 2,200 pounds now. All of that has come about, in my opinion, because the acreage in tobacco has been smaller and smaller. Of course, the farmers tried to grow more and more tobacco on the decreased acreage.

The pending bill, as I understand, contemplates putting tobacco allocations on an acreage-poundage basis, which would mean that a farmer would be allocated so many pounds as a marketing quota. In that way he would probably be able to plant a little larger acreage, and not use so much fertilizer, and perhaps produce a better quality of tobacco that will be readily sold on the market.

Because of the fact that there is such a large quantity of surplus tobacco on hand, it is my belief we ought to give the bill a trial, at any rate. I am hopeful the Senate will look with favor on the bill.

As I have said, the administration is for the bill. In the new farm bill, which I just sent to the desk for reference, tobacco is not included. As I understand, this will be the only bill introduced this year affecting tobacco.

Mr. JORDAN of North Carolina. So far as I know, that is correct.

Mr. ELLENDER. I ask that the bill be enacted.

AMENDMENT OF MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, which was to strike out all after the enacting clause and insert:

That this Act may cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period "; and", and by adding at the end of such section the following new paragraph:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants and the priority of projects in meeting the objectives of this Act."

SEC. 3. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

"JOB DEVELOPMENT PROGRAMS

"SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"LABOR MOBILITY DEMONSTRATION PROJECTS

"SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;

"(4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

"(5) the loan is repayable within not more than ten years.

"(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than \$5,000,000 may be used for the purposes of this section.

"TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

"SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than \$200,000 and \$300,000, respectively, may be used for the purpose of carrying out this section."

(b) Section 102(2) of the Act is amended by striking out "104" and inserting in lieu thereof "107".

SEC. 4. Section 202(i) of the Act is amended by striking out "and such persons shall be eligible for training allowances for not to exceed an additional twenty weeks".

SEC. 5. (a) Section 203(a) of the Act is amended as follows:

(1) Amend the second sentence thereof to read as follows: "Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed \$10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided*, That the basic amount of such payments may be increased by \$5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess."

(2) Amend the second paragraph thereof to read as follows:

"With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the

preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph."

(3) Insert the words "under the training program" after "compensated hours per week" in the third paragraph of such subsection;

(4) In lieu of the fourth paragraph of such subsection insert the following:

"The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week."

(b) (1) Section 203(b) of the Act is amended by striking out the matter following "to defray transportation" and preceding "Provided", and by inserting in lieu of such matter the following: "expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee:"

(2) Such subsection is further amended by inserting immediately before the period at the end thereof the following: "except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe."

(c) Section 203(c) of the Act is amended as follows:

(1) Strike the words "not less than" in the first sentence and insert "at least" in lieu thereof;

(2) Strike out everything in the first sentence after the words "gainful employment", and insert the following in lieu thereof: "Provided, That they are not members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed."

(3) Amend the last sentence to read as follows: "The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation)."

(d) Subsection (d) of section 203 of the Act is repealed and subsections (e), (f), (g), (h), (i), and (j) of such sections are designated as (d), (e), (f), (g), (h), and (i), respectively.

(e) The first sentence of section 203(g) (2) of the Act (as redesignated by section 5(d) of this Act) is amended by striking out everything that follows "all of such benefits paid" and inserting in lieu thereof a period.

SEC. 6. Section 208 of the Act is repealed.

SEC. 7. Section 231 of the Act is amended by striking the third sentence and inserting in lieu thereof the following: "The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions are required to give full effect to the purposes of the Act: *Provided*, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services."

SEC. 8. Title II of the Act is amended by adding part C to the end thereof to read as follows:

"PART C—REDEVELOPMENT AREAS

"SEC. 241. (a) The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

"(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

"(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided*, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

"(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

"(4) section 301 shall not apply with respect to funds available under this section.

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out this section."

(b) Sections 16 and 17 of the Area Redevelopment Act (42 U.S.C. 2513 and 2514) are repealed.

(c) This section and the amendments made by it shall take effect on July 1, 1965.

SEC. 9. Section 301 of the Act is amended by striking the period at the end thereof, inserting a colon, and adding the following proviso:

"*Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the 6th month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year."

SEC. 10. Section 302 of the Act is amended by striking the word "and" following "the Smith-Hughes Vocational Education Act" inserting a comma in lieu thereof, and inserting "and the Vocational Education Act of 1963," following "the Vocational Education Act of 1946."

SEC. 11. Section 304 of the Act is amended to read as follows:

"SEC. 304. For the purpose of carrying out this Act there are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years such amounts as may be necessary."

SEC. 12. The following subsection is added to section 305 of the Act to read as follows:

"(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965, and expenditures for such purposes shall be subject to the matching requirements in effect at the time such programs were approved."

SEC. 13. Subsection (a) of section 306 of the Act is amended by inserting after the comma immediately following the word "procedures" the following: "subject to such policies, rules and regulations as they may prescribe, the approval of any program under section 202, the cost of which does not exceed \$75,000,"

SEC. 14. Sections 309(a) and 309(b) of the Act are both amended by striking "Prior to March 1, 1963, and again prior to April 1, 1964, April 1, 1965, and April 1, 1966" and inserting in lieu thereof: "Prior to April 1 in each year for which an appropriation is authorized by section 304."

SEC. 15. Section 310 of the Act is amended by striking out "1966" wherever it appears and inserting in lieu thereof "1968".

Mr. CLARK. Mr. President, I move that the Senate disagree to the amendment of the House to the bill (S. 974), which presently lies at the desk. This bill provided for some 20 amendments to the Manpower Development and Training Act. The House did not agree with the Senate version.

I move that the Senate ask for a conference on the disagreeing votes of the two Houses, and that conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to, and the Presiding Officer appointed Mr. CLARK, Mr. RANDOLPH, Mr. McNAMARA, Mr. PELL, Mr. KENNEDY of Massachusetts, Mr. NELSON, Mr. PROUTY, Mr. JAVITS, and Mr. MURPHY conferees on the part of the Senate.

Mr. JORDAN of North Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The Senate resumed the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent that the yeas and nays be ordered on the second amendment to be offered by the Senator from Georgia and the Senator from Florida.

Mr. TALMADGE. I have no objection to voting immediately on our substitute amendment. On the next amendment to be offered I desire to have a yeas-and-nays vote. Am I to understand the Senator to ask unanimous consent that the yeas and nays be ordered on the next amendment to be offered?

Mr. JORDAN of North Carolina. Yes.

Mr. TALMADGE. I have no objection.

Mr. CARLSON. Mr. President, I would have to object to unanimous consent being given for a yeas-and-nays vote.

Mr. TALMADGE. Mr. President, I ask that the yeas and nays be ordered on the next amendment that will be offered by the Senator from Georgia and the Senator from Florida.

The PRESIDING OFFICER. The Senator must first ask unanimous consent that it be in order to order the yeas and nays on the next amendment.

Mr. TALMADGE. I ask unanimous consent that it be in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. Is the request for the yeas and nays sufficiently seconded? It is sufficiently seconded, and the yeas and nays are ordered.

Mr. TALMADGE. As I understand, the vote will now be taken on the substitute amendment of the Senator from Georgia and the Senator from Florida.

The PRESIDING OFFICER. The Senator is correct.

Mr. TALMADGE. On the next amendment to be offered, we shall have the yeas and nays.

The PRESIDING OFFICER. Yes.

The question now is on agreeing to the pending amendment offered by the Senator from Georgia and the Senator from Florida. [Putting the question.]

The yeas appear to have it.

Mr. TALMADGE. I ask for a division. On a division the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TALMADGE. Mr. President, I send to the desk an amendment offered on behalf of myself and the senior Senator from Florida [Mr. HOLLAND]. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill add the following new section:

SEC. 4. Nothing in this Act shall be construed as affecting the authority or responsibility of the Secretary of Agriculture under section 301(b)(15) or section 313(1) of the Agricultural Adjustment Act of 1938 with respect to providing that different types of tobacco shall be treated as different kinds of tobacco, or with respect to increasing allotments or quotas for farms producing certain types of tobacco.

Mr. TALMADGE. Mr. President, the amendment was drafted by the attorney for the Committee on Agriculture and Forestry. It would not change the existing law in any way whatever. It does make clear, however, that the lawsuit which was filed on behalf of the farmers of Georgia and Florida, and won by those plaintiffs in the District Court for the Southern District of Georgia, which obtained a unanimous opinion in the fifth circuit court of appeals upholding the lower court decision shall prevail and that that decision be preserved.

The Senator in charge of the bill and the distinguished senior Senator from North Carolina say they have no desire to change that situation. However, the language of the bill would change the existing law, which provides:

Any one or more of the types comprising any such kind of tobacco shall be treated as a "kind of tobacco" for the purposes of this Act if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand.

Let us turn to the provisions of the bill. What do we find?

On page 2 of the bill, lines 16 to 18, read:

In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

He could get a letter from someone in Hong Kong and deem that relevant and throw out the lawsuit which our farmers have won.

I ask the Senate to deal equitably with those who have gone to court to sustain their convictions and have won a judgment. If the Senate wishes to be fair and honorable, it will sustain the amendment.

I yield 2 minutes to the distinguished Senator from Tennessee.

Mr. BASS. Mr. President, for the past 10 years that I have served in Congress I have had the opportunity of working for and voting for every tobacco program that has been passed by Congress. I realize now that the Flue-cured tobacco growers have a problem and that there is a surplus of tobacco; therefore, something must be done to relieve the situation. For that reason I shall support the pending legislation.

However, I believe that in all honesty and fairness the amendment of the Senator from Georgia should be adopted, because there is litigation now pending in the court. Suit has been filed, and the lower court has held that the petitioners in the tobacco areas of Florida, Georgia, and South Carolina were correct.

I believe that Congress should not legislate these people out of court.

I believe that they were right before the passage of the legislation, and that if their case was just and fair then, their case would be just and fair next year.

Therefore, although the proposed legislation is intended to improve the tobacco situation in the Flue-cured tobacco area, I am supporting the amendment for that reason. My colleagues in the Senate would be ill advised if they did not support the amendment of the Senator from Georgia and the Senator from Florida, because although it has been said by some that the proposed legislation would not throw these people out of court, still, if there is any possibility that they would be thrown out of court, the amendment is some insurance to those who are in court at this time. I believe the amendment should be adopted.

Mr. TALMADGE. Mr. President, I yield 1 minute to the able Senator from Ohio.

Mr. LAUSCHE. Mr. President, several minutes ago I asked why a saving clause amendment to protect the lawsuit that was pending and decided in the courts of Georgia was not advisable. Now I understand an amendment has been offered to provide a saving clause for that lawsuit. In my opinion, nothing is more reprehensible in the conduct of legislative bodies than to try by legislation to reverse decisions of our duly constituted courts.

The court has spoken. There is an appeal pending to the U.S. Supreme Court.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. I ask for 1 additional minute.

Mr. TALMADGE. I yield 1 additional minute.

Mr. LAUSCHE. I say in complete charity, an effort is being made to subvert the decision of the court. It is wrong. This honorable body should not approve of it.

Mr. President, I support completely the amendment offered by the Senator from Georgia.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the cosponsor of the amendment, the able and distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, it seems to me that the question we are asked to determine is this: Are we to stand by our oft spoken pledge to have and to insist upon a government of laws and not a government of men?

If anyone wishes to read, even in a cursory fashion, line 16 to 18 on page 2 of the bill, he will see that the purpose is to give complete discretion to the Secretary to follow any rule that he believes to be relevant in determining what shall be done under the law. I shall read those words again:

In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

Mr. President, I do not believe that the Senate wishes to put itself on record as favoring the imposition of the judgment

of any one man, no matter how dedicated he may be, in this important and controversial matter which is for the judgment of the courts. It is a case in which there has already been entered a decree of the District Court of the United States and a decree of the Circuit Court of Appeals of the United States, but in that litigation the final word has not been spoken, because the appeal can go to the U.S. Supreme Court.

I hope that the amendment will be adopted.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. COOPER. I believe it is important to make legislative history on the amendment. It has been said on the floor of the Senate by several Senators that they do not believe the amendment is necessary, because the existing section of the law would be maintained.

I should like to ask the following question of the distinguished author of the amendment: In the event that the amendment should be adopted—and if it is correct, as I believe it to be, that the existing section of law would stand, whether the amendment is adopted or not—would the author say that the language of the amendment would create some kind of presumption which would then become an element for consideration by the court? Would it add anything? Would the amendment add any factor which the courts could then take into consideration?

Mr. HOLLAND. Mr. President, I do not believe the amendment would add any additional factor. That is not the intent of Senators who have offered the amendment. We merely wish to be very sure that there is preserved the right of those who have gone to court to have a final court adjudication of the important question which they have raised under existing law, which applies not merely to tobacco, and not merely to type 14 tobacco, but to many other commodities as well. We think that that point should be decided by the courts. It is for that reason that we have offered the amendment.

Mr. COOPER. Then the Senator would agree—and I assume the Senator from Georgia would agree also—that the purpose of the amendment is to do nothing more than to preserve the existing law, and that it would in no way create a presumption upon which the court could fasten and say, "We have been directed by the Congress to act in a specific way"?

Mr. HOLLAND. I yield to the distinguished Senator from Georgia to answer that question. I have already said that we are acting merely to preserve a lawsuit so that it may go to the Supreme Court for adjudication.

Mr. TALMADGE. It is the purpose and intent of the authors of the amendment to preserve the rights of the litigants under present law as they exist at the present time, without adding any additional rights to or taking any rights away from them. In other words, we wish to preserve the status quo as it is at the present time.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. It is my judgment that if the amendment is adopted, nothing will be added or detracted from what will be offered to support the action pending in the courts.

Mr. HOLLAND. That is my understanding of the situation. It has been well stated by the Senator.

Mr. JORDAN of North Carolina. Mr. President, I yield to my colleague from North Carolina.

Mr. ERVIN. Mr. President, it would be unsafe to adopt the amendment. The amendment provides:

Nothing in this Act shall be construed as affecting the authority or responsibility of the Secretary of Agriculture under section 301(b)(15) or section 313(i) of the Agricultural Adjustment Act of 1938 with respect to providing different types of tobaccos shall be treated as different kinds of tobacco or with respect to increasing allotments or quotas for farmers producing certain types of tobacco.

All farmers producing tobacco produce certain types of tobacco. The language of the amendment in stating, in effect, that the act shall not affect the authority of the Secretary to increase the allotments of farmers to produce certain types of tobacco would throw the validity of the whole bill in doubt. For that reason the amendment ought to be voted down.

Mr. JORDAN of North Carolina. Mr. President, I wish to make a short statement and then I shall be ready to vote.

There is no language in the bill which would in any way affect any authority or responsibility that the Secretary of Agriculture may have under section 301(b)(15) or section 313(i) of the Agricultural Adjustment Act of 1938. Therefore there is no need for the amendment, and we do not know what its possible effect might be. If the bill passes in its present form, sections 301(b)(15) and 313(i) will remain fully effective. But if we were to adopt the amendment, we would be suggesting that there is something in the bill that would, but for the amendment, affect the Secretary's authorities and responsibilities under section 301(b)(15).

In view of the statements that have been made with respect to the pending lawsuit, it is certain that the adoption of the amendment would be argued as showing that we adopted the contention of one side or the other in this lawsuit. Therefore, I must oppose the amendment; I am ready to vote.

Mr. TALMADGE. Mr. President, I shall detain the Senate only briefly.

The able and distinguished Senator from North Carolina objected to the language in the last three lines of the amendment. I invite the attention of Senators to the fact that all that language does is to restate existing law. If Senators will turn to the hearings on the bill, page 193, they will see section 313(a), section 313(g), and section 313(j). Section 313(i) reads as follows:

(i) Notwithstanding any other provision of this Act, whenever after investigation the Secretary determines with respect to any kind of tobacco that a substantial difference exists

in the usage or market outlets for any one or more of the types comprising such kind of tobacco and that the quantity of tobacco of such type or types to be produced under the marketing quotas and acreage allotments established pursuant to this section would not be sufficient to provide an adequate supply for estimated market demands and carry-over requirements for such type or types of tobacco, the Secretary shall increase the marketing quotas and acreage allotments for farms producing such type or types of tobacco—

And so forth. Mr. President, that is existing law, and only existing law. The amendment would not change it one bit. What it would do would be to provide:

The Secretary shall give such consideration to such Federal-State production research data as he deems relevant.

Mr. President, I do not wish the Secretary of Agriculture to look into the wastebasket and find a letter written by one in an insane asylum and say, "That is relevant." I think the Senate, if it wanted to be fair, would determine the same thing. I am ready to vote.

The PRESIDING OFFICER (Mr. BASS in the chair). The question is on agreeing to the amendment of the Senator from Georgia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from South Dakota [Mr. MCGOVERN], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Delaware [Mr. BOGGS], the Senator from New York [Mr. JAVITS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] is absent on official business.

The Senator from Iowa [Mr. HICKEN-LOOPER] and the Senator from California [Mr. MURPHY] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from California [Mr. MURPHY], and the Senator from Kansas [Mr. PEARSON] would each vote "yea."

The result was announced—yeas 47, nays 23, as follows:

[No. 42 Leg.]

YEAS—47

Aiken	Douglas	Mundt
Allott	Ellender	Muskie
Bartlett	Fannin	Pell
Bass	Harris	Prouty
Bible	Holland	Randolph
Byrd, Va.	Hruska	Ribicoff
Byrd, W. Va.	Jordan, Idaho	Scott
Carlson	Kennedy, Mass.	Simson
Case	Kennedy, N.Y.	Smith
Church	Kuchel	Symington
Clark	Lausche	Talmadge
Cooper	Long, Mo.	Thurmond
Cotton	McClellan	Tower
Curtis	Miller	Williams, Del.
Dirksen	Morse	Young, Ohio
Dominick	Morton	

NAYS—23

Anderson	Jackson	Montoya
Bayh	Jordan, N.C.	Moss
Brewster	Mansfield	Neuberger
Cannon	McCarthy	Proxmire
Ervin	McGee	Robertson
Fong	McNamara	Tydings
Hart	Metcalfe	Young, N. Dak.
Inouye	Mondale	

NOT VOTING—30

Bennett	Hickenlooper	Nelson
Boggs	Hill	Pastore
Burdick	Javits	Pearson
Dodd	Johnston	Russell
Eastland	Long, La.	Saltonstall
Fulbright	Magnuson	Smathers
Gore	McGovern	Sparkman
Gruening	McIntyre	Stennis
Hartke	Monroney	Williams, N.J.
Hayden	Murphy	Yarborough

So the amendment offered by Mr. TALMADGE, for himself and Mr. HOLLAND, was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, while the Senators are in the Chamber and the majority leader is present, I should like to have some indication of the order of business for tomorrow and the remainder of the week.

Mr. MANSFIELD. Mr. President, at the conclusion of business this afternoon, it is the intention of the leadership to adjourn until 12 o'clock noon tomorrow, at which time it will take up calendar order No. 134, S. 800, a bill to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation for the Armed Forces, and for other purposes. Following the disposition of that bill, and others which may be on the calendar tomorrow, it is our intention then to go over to Wednesday. We hope that at that time we shall be able to take up the education bill.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The Senate resumed the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent that on the pending amendment the time be limited to 20 minutes; 10 minutes to the side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, are other amendments pending this evening, or is there a likelihood of a record vote on the amendment?

Mr. TALMADGE. Mr. President, we have agreed on a unanimous-consent agreement for 20 minutes; 10 minutes to a side. I shall not ask for a yea-and-nay vote. So far as I am concerned, I shall be prepared to vote for passage after this amendment is disposed of. I have no objection to a yea-and-nay vote.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, I send to the desk an amendment on behalf of myself and the senior Senator from Florida. I ask that the amendment not be read, but printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was ordered to be printed in the RECORD, as follows:

AMENDMENTS TO H.R. 5721

Intended to be proposed by Mr. TALMADGE and Mr. HOLLAND to H.R. 5721, an Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, viz:

On page 3, line 3, strike out "(f)" and insert "(e)".

On page 3, line 5, strike out "(e)" and insert "(d)".

On page 3, line 9, strike out "(f)" and insert "(e)".

On page 3, beginning in line 9 with the word "In" strike out through line 14.

On page 6, line 11, strike out "(f)" and insert "(e)".

Beginning on page 7 with line 15, strike out all through line 12 on page 8.

On page 8, line 13, strike out "(c)" and insert "(b)".

On page 10, line 2, strike out "subsections (b) or (c)" and insert "subsection (b)".

On page 9, line 24, strike out "(d)" and insert "(c)".

On page 11, strike out lines 2 through 6 and insert "referendum on acreage-poundage quotas under this subsection, and at least 15 days prior to the holding of any special referendum under subsection (b)".

On page 11, line 21, strike out "(e)" and insert "(d)".

On page 12, line 19, strike out "(f)" and insert "(e)".

Beginning on page 13 with the word "Transfers" in line 23, strike out all through line 6 on page 14.

On page 14, line 7, strike out "(g)" and insert "(f)".

On page 16, line 3, strike out "(h)" and insert "(g)".

On page 16, line 21, strike out "(f)" and insert "(e)".

Beginning on page 16 with line 25, strike out all through line 15 on page 17.

Mr. TALMADGE. Mr. President, this amendment would do one thing, and one thing only. It would postpone for 1 year, until 1966, the acreage-poundage provision with reference to tobacco.

Burley is not included. It would place Flue-cured tobacco on the same basis as burley tobacco. There will be no acreage-poundage law relating to burley in the bill next year.

Last November, the Flue-cured tobacco farmer, in a referendum, voted overwhelmingly, some 90-odd percent, to accept an acreage reduction of 19.5 percent on tobacco acreage. They have acted in good faith on the proposal offered by the Government to reduce acreage 19.5 percent down in Florida.

In Florida virtually all of the Flue-cured tobacco people have already planted their tobacco. In my own State of Georgia virtually all of them would have completed their tobacco planting except that there has been a good deal of wet weather. That has impeded the planting of tobacco, but they have bought the seed and fertilizer, and under normal conditions would have planted 100 percent.

If this measure is approved by the Senate, the Secretary of Agriculture must call another referendum and say we did not mean what we said last November. We are changing the rules in the middle of the game, even though we have agreed to go ahead with this program. That is unfair and inequitable, particularly when the bill distinguishes between the burley producer and the Flue-cured tobacco producer. This measure would authorize poundage-acreage next year, but not in the year 1965.

I yield now to the able and distinguished senior Senator from Florida, who cosponsored the amendment.

Mr. HOLLAND. I thank the Senator from Georgia. I shall have very little to say.

The real reason for this amendment is very obvious. All of the tobacco acreage in my State, which is not heavy, but belongs to some 5,200 growers, most of them small people, has been planted. There is no doubt about it. We know that is the case.

The Senator from Georgia referred to a similar situation in his State, just a little back of us.

If the bill is passed—which I assume it will be—and signed by the President, a referendum will be had. There will be a 30-day delay. Before that time not only will every single grower of type 14 tobacco already have planted but the planting will have been far advanced, and others up the seaboard will have planted.

It is not right to change the law applicable to these people, when so much investment has been made, when the industry is already in trouble, where there is a breach of feeling as between im-

portant segments in the industry, and when the law makes an invidious distinction between producers of Flue-cured tobacco and the equally fine people who produce burley tobacco.

I commend the Senators from Tennessee and Kentucky for recommending to the committee that the producers of burley should not be affected until next year, which means November or December of this year. It seems to me to make that distinction, particularly in view of the fact that the tobacco will have been planted for some weeks ahead, and some of it for 2 or 3 months, is just as wrong as can be.

We therefore urge that the two great branches of the tobacco producing industry be placed on an equal footing and be treated alike, as they would be with the proposed change. I do not care what the growers decide to do if they have a fair chance to get to that question and have a fair chance to decide it, but I object to their having to decide it when there is such a great difference between this 12 percent—and it will be much greater—and the rest. I do object to their being affected in an invidious way, being called on to make expenditures when the floor may be pulled out from under them.

I see no reason for making this kind of distinction between the growers of Flue-cured and burley tobacco. If they want to approve it by a two-thirds or more vote in November or December, I am willing to have them do it. I think it would be unwise to do it, but it is up to the growers. However, to force the change at this time is manifestly inequitable. I hope the Senate will do what it did a few minutes ago to avoid another manifest inequity when it voted that the litigation already pending would be saved from this bill.

Mr. TALMADGE. Mr. President, I reserve the remainder of my time.

Mr. JORDAN of North Carolina. Mr. President, I yield 2 minutes to my colleague from North Carolina.

Mr. ERVIN. Mr. President, if the Congress passes this bill, it will not be forcing the tobacco growers to do anything. It will merely give them a chance to determine whether they prefer the provisions of this bill over the old acreage allotments. We are in trouble today because the acreage procedures did not work. When acreage allotments are cut, the big growers merely put more fertilizer on the ground to grow more tobacco. The little growers cannot do it. The big one are the ones responsible for the overproduction, not the little growers.

The pending bill would put stringent controls under the poundage system rather than the acreage system. We are giving the growers the right to say whether they prefer the change. If they do not, they will vote it down.

There cannot be any comparison made as between the burley and Flue-cured tobacco because burley is not in great oversupply. That is not true of Flue-cured tobacco. The two cannot be compared for that reason.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. ROBERTSON. Burley is grown mostly in Kentucky. Most of the Flue-cured tobacco is grown in Florida, Georgia, the Carolinas, and Virginia. We have about 7 percent of it. There is an oversupply of it. Another bumper crop and we shall be ruined.

Mr. JORDAN of North Carolina. Mr. President, I yield myself 2 minutes. Flue-cured tobacco is included in this bill, but burley is not to be voted on this year, for the reason that burley is not in the trouble that Flue-cured tobacco is. There is no reason to have a referendum on burley this year. It authorizes the Secretary of Agriculture next year, if it is necessary—it may not be necessary—to call a referendum, after he has held hearings in the burley districts, which include Tennessee, Kentucky, and North Carolina, mostly. This is the reason burley is not included for this year.

Last year we sold on the domestic market and exported 1,100 million pounds of tobacco, but we produced 1,200 million to 1,250 million pounds. We put about 151 million more pounds in stock, which is that which we did not use or sell.

Last year there was a 10-percent cut in acreage. On top of the 10-percent cut in acreage, we also produced about 11 percent more tobacco than we did before.

The acreage system under which we are operating now is making a mockery of a balance between production and consumption. Technological processes give growers better ways for fertilizing, and better ways of tilling the soil, and other ways to get more tobacco out of a given piece of acreage. We have to do something to bring the production down. People do not smoke acres; they smoke pounds of tobacco.

The PRESIDING OFFICER. The time of the Senator allotted to himself has expired.

Mr. JORDAN of North Carolina. I yield the remaining time to the Senator from Kentucky.

Mr. COOPER. Mr. President, how much time is left?

The PRESIDING OFFICER. Six minutes.

Mr. COOPER. Mr. President, while I have been in the Senate Chamber during the debate, much of which concerned Flue-cured tobacco, until now I have not participated except to ask some questions about the last amendment for the purpose of securing an interpretation of that amendment. I have not participated in the debate principally because the bill, as has been said, does not apply to burley tobacco this year.

However, the bill does authorize acreage-poundage programs for burley and dark leaf tobacco, which are produced in Kentucky, next year or later. If the Secretary desires to do so next year, he can ask for a referendum of burley growers, to choose between acreage-poundage and the present program. If two-thirds of the farmers voting should then approve, the acreage-poundage system of production controls would supersede and take the place of the present acreage allotment system of controls for the tobacco price support program.

I do not know what will happen during the coming crop year with respect to burley tobacco and Dark Fired and Dark Air-cured tobacco.

I supported the bill because, unless either the growers keep yields and their production per acre down, or there is a very large increase in demand, it appears to me that our burley tobacco program will be getting into trouble. It may not be in serious trouble yet, but it could be. So I voted in committee for the bill in order to give our growers the opportunity a year from now, if the Secretary asks for a referendum, to decide which of these programs would be best for burley growers and for the producers of Dark Fired and Dark Air-cured tobacco.

I believe that the entire tobacco program is in considerable difficulty. As I sat on the subcommittee which held hearings on this bill under the direction of its chairman, the Senator from North Carolina [Mr. JORDAN], and with the Senator from Georgia [Mr. TALMADGE], I do have a duty to report my conclusions and my judgment as a result of those hearings.

There is a difference in the supply situation of Flue-cured tobacco and burley tobacco. For example, in the case of burley tobacco, Government loan stocks on February 28, 1965, amounted to 341 million pounds. In the case of Flue-cured tobacco, Government loan stocks amounted to 938 million pounds valued at more than \$600 million.

As I interpret the testimony we heard, it was to the effect that if this year there is a good crop of Flue-cured tobacco—and the same would apply to burley tobacco—we could have a surplus in 1965 equal to that of 1964, and there could again be some 285 million pounds of Flue-cured tobacco placed under Government loan from that crop, which even allowing for some sales would mean over a billion pounds of Flue-cured tobacco held by the Government at the close of this marketing year.

Mr. HOLLAND. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I am glad to yield.

Mr. HOLLAND. Does the Senator believe that the Flue-cured tobacco industry will produce that great a surplus, when it will have to operate with 19½ percent less acreage that it did last year, by its own vote?

Mr. COOPER. No, it may not produce that much. I do point out, though, that last year we had a cut in burley acreage of 10 percent, and we had a drought. Yet even with the drought and the 10 percent cut, 50 million more pounds were produced than used, so that the total supply reached an all-time high.

Consequently, I believe that if our growers, both Flue-cured and burley, begin to believe that we are moving toward a stronger program, we shall find this year that they will put on more fertilizer, irrigate the land, and make every effort to get the utmost out of their production. The end result will be that the excess production will go into Government stocks.

Mr. ERVIN. Mr. President, will the Senator from Kentucky yield for a question?

Mr. COOPER. I am glad to yield.

Mr. ERVIN. We did have the 10-percent cut in Flue-cured tobacco last year and it did not accomplish very much, did it?

Mr. COOPER. The Senator is correct; about 1 percent more was produced, I understand. Unless our growers of tobacco use restrain and reduce their yields—and being good farmers and good businessmen, I do not believe they are going to do that—we are going to have increased production per acre every year. Even with additional cuts in acreage, farmers will work hard to realize just as much. If acreage cuts are continually offset by higher yields, in the end the price support program will just collapse.

I remember in 1948, when I first came to the Senate, I had the opportunity to introduce, with Senator Barkley, the amendment which today gives tobacco growers the 90 percent of parity support price. The distinguished Senator from Florida [Mr. HOLLAND], who is the sponsor of the amendment now before the Senate, voted for that amendment and supported the 1948 bill. We carried it by one vote. That price support program has given our tobacco growers \$1 billion more in the last 16 years than they would have received otherwise.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Kentucky may speak for 2 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator from Kentucky is recognized for 2 additional minutes.

Mr. COOPER. Mr. President, I felt that I should make these comments, because I have served on the price support and production adjustment subcommittee of the Senate Agriculture Committee and have heard all the testimony. I supported the amendment just offered by the distinguished Senators, from Florida and Georgia, who are also members of the committee, because their growers have had this case in the district court and the circuit court of appeals, and their claim has been sustained.

The tobacco raised in the States of Georgia and Florida is designated as a particular type of tobacco. Consequently, I do not believe that anything should be placed in the bill which would deny their producers the right to have their final hearing in court. If the courts should decide as the lower courts have decided, their case is protected anyway. I believe there is unanimous agreement on that point. But based upon all the testimony which I heard, I must say that I have come to the conclusion, particularly in the case of Flue-cured tobacco, and probably in the case of burley, that unless we mend our ways, the tobacco program could collapse and we could lose our price support program. Every tobacco grower who grows any kind of tobacco would then find himself in the worst possible shape. In the 1930's and early 1940's, we remember, tobacco was selling at 15 cents, 18 cents, and 20 cents a pound.

Let me conclude by saying that this bill would give farmers an opportunity to vote. And two-thirds of them must vote to approve acreage-poundage program before it can become their program. Therefore, I must oppose the amendment, but have taken this opportunity to state my position in support of the bill, and I hope that it will be enacted.

Mr. President, one of my amendments contained in the committee bill is designed to protect the position of small burley growers, who have allotments of one-half acre or less, and who are now protected under the acreage program. Senator JENNINGS RANDOLPH has spoken to me about the many small growers in his State of West Virginia. He strongly supports the amendment, and asked me to express in the Senate his view that it is very important, and that it must be retained in the final bill enacted by the Congress. I am glad to do so, for I have also kept in close touch with the Senators from Tennessee and Members of the House of Representatives who wish to insist upon the provision.

Mr. President, I am glad that the Senate Committee on Agriculture and Forestry adopted my amendments, which are now part of the bill the Senate will pass today. I ask unanimous consent that my views contained in the committee report, which describes these amendments, be printed at this point in the RECORD. Also, I have requested the latest figures on tobacco from the Department of Agriculture, and so that the record will be complete ask that this information, together with a brief statement, be included also.

There being no objection, the individual views, tables, and statements were ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF SENATOR COOPER

The tobacco program has been a good farm program. It has been good for farmers—for whom it has secured fair prices. And it has operated without substantial cost to taxpayers or loss to the Government. It has done so because tobacco growers have demonstrated their willingness and ability to maintain supplies in line with demand by accepting effective production controls.

But, in recent years, yields have increased rapidly—as much as 35 percent between 1960 and 1963, or 600 pounds more burley grown per acre—requiring repeated cuts in farm acreage allotments. And during the hearings of our committee on this bill, Under Secretary of Agriculture Murphy testified that the present program would require continuing cuts as production per acre continues to climb.

This bill would give farmers a choice between the present system of acreage controls and the acreage-poundage plan developed and recommended by the Department of Agriculture. As one of my amendments makes clear, unless two-thirds of the growers of a kind of tobacco vote in a special referendum for acreage-poundage, the existing acreage allotment and price-support program will remain in full effect.

Tobacco is the chief cash farm crop of Kentucky. The State ranks second in tobacco production only to North Carolina. It is the principal source of burley tobacco, which together with Dark Air-cured and Dark Fired, accounts for some \$300 million of Kentucky's annual farm income. More than 300,000 farm families—140,000 of them in Kentucky—depend for their livelihood largely or in part upon their burley tobacco

allotments. While this bill would apply immediately to Flue-cured tobacco, it also authorizes an acreage-poundage referendum next year or later for burley and other types of tobacco.

My purpose is to insure that any program presented to tobacco farmers protects the existing price-support program, and that full information will be provided to burley and dark leaf tobacco growers before an acreage-poundage referendum is held. For this reason I offered several amendments to the House bill. All were adopted by the Senate Committee on Agriculture, and I trust will be maintained in whatever acreage-poundage plan may be enacted by the Congress.

The committee amendments are described briefly in the Senate report. They are the amendments which I offered in committee, with the exception of the technical amendments for Flue-cured, 2 and 11, and amendment No. 4, which applies to all kinds of tobacco. I concurred in this amendment, offered by Senator JORDAN. It is a very important amendment because it provides a more equitable method of allotting the national poundage quota among growers than does the House bill.

I am also glad that the House adopted the amendment of Congressman STUBBLEFIELD, of Kentucky, requiring field hearings by the Department of Agriculture to secure the views of growers before holding a referendum on acreage-poundage for any type of tobacco except Flue-cured.

Amendment No. 1 applies to all types of tobacco. Its purpose is to maintain the reserve supply level established in present law, which assures adequate stocks of tobacco—2.8 years' use in the case of burley. The amendment is also designed to prevent too drastic cuts in growers' poundage quotas,

for the purpose of working off existing Government-loan stocks.

Amendment No. 12 permits burley growers to market up to 20 percent over their poundage quota—if they wish to do so by taking a corresponding reduction in their next year's acreage allotment and poundage quota. Unlike Flue-cured tobacco which is "primed" by pulling leaves from the stalk as they ripen in the field over a period of several weeks, the entire stalk of burley is cut, hung in the barn, cured, and then stripped and taken to market. Some years, depending on weather, it would be difficult for burley growers to hit their poundage goal precisely. There is a market, and an export market, for a wide variety of burley grades from the entire stalk. If good tobacco, ready for market, is not to be needlessly destroyed, this degree of flexibility is needed in burley—and in any event, it is a decision properly left to the farmer.

Amendment No. 13 applies to farms now having burley allotments of one-half acre or less. Under present law these small allotments are protected from cuts, but the administration bill made no provision for them under acreage-poundage. Under my amendment, the initial poundage quotas for small farms would be set on the same basis as all other farms. But after this initial adjustment, the quotas for these farms could not in future years be reduced below that figure. In this connection, I point out the testimony of the Department before our committee that while 33,000 Kentucky farms have burley allotments of one-half acre or less, this 23 percent of the allotments represents only 6 percent of the tobacco acreage. Yet these are often the allotments supporting families who have a real struggle for existence.

Amendment No. 14 requires the Department of Agriculture to consult with growers, State farm organizations, and tobacco cooperatives in determining the need for and details of an acreage-poundage plan for types other than Flue-cured tobacco. Amendments 6 and 8 assure ample notice of an acreage-poundage referendum, and require that each tobacco farmer be notified of his poundage quota and acreage allotment at least 15 days before the referendum. My other amendments are technical or similar in purpose.

I will vote for the bill, which has been recommended by the President and submitted by the Secretary of Agriculture. It gives tobacco growers a choice between the present and proposed methods of controlling production under the tobacco price support program. In making this choice, my amendments are intended to inform our farmers as fully as possible about the tobacco supply situation, its effect upon the tobacco price support program, and the details of the acreage-poundage proposal.

The tobacco price support program must not be allowed to collapse under the weight of an unmanageable surplus. Deeper cuts in acreage allotments year after year would be intolerable, and are not a fair solution to the problem of increasing farm yields.

I believe that all of us—tobacco growers, Members of Congress from the tobacco-growing States, and all those who work with tobacco—must join together to secure the best means to protect and continue the price support program, without which the tobacco grower would suffer great loss. We have worked hard throughout the years to protect our tobacco program and make it successful. We must continue to do so.

JOHN SHERMAN COOPER.

TABLE I

	1962	1963	1964
Production, value, and number of allotments (by crop years) for U.S. tobacco production			
U.S. tobacco production (pounds).....	2,314,751,000	2,343,230,000	2,229,972,000
Value received by farmers.....	\$1,363,808,000	\$1,351,842,000	\$1,306,764,000
Number of allotments.....	572,462	570,156	565,692
Production, value, and number of allotments for U.S. burley tobacco production			
U.S. burley production (pounds).....	674,854,000	755,146,000	631,462,000
Value received by farmers.....	\$395,448,000	\$446,706,000	\$380,772,000
Number of allotments.....	301,142	299,843	298,633
Production, value, and number of allotments for Kentucky tobacco production			
Kentucky tobacco production (pounds).....	493,515,000	563,384,000	463,772,000
Value received by farmers.....	\$278,310,000	\$326,540,000	\$272,052,000
Number of allotments.....	173,457	172,327	171,453

TABLE II.—Tobacco: Acreage, yield, production, disappearance, price and crop value, United States, for specified years (farm-sales weight)

Crop year	Acreage	Yield	Production	Disappearance ¹			Average price per pound	Value of crop
				Total -	Domestic	Exports		
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	Million dollars
Average:								
1925-29.....	1,756	773	1,356	1,387	787	600	18.7	253
1935-39.....	1,647	883	1,460	1,358	900	458	19.5	278
1945.....	1,821	1,094	1,991	1,928	1,334	594	42.6	848
1946.....	1,961	1,181	2,315	2,012	1,355	657	45.1	1,044
1947.....	1,852	1,138	2,107	1,850	1,413	437	43.6	918
1948.....	1,554	1,274	1,980	1,922	1,417	505	48.2	955
1949.....	1,623	1,213	1,969	1,951	1,420	531	45.9	905
1950.....	1,599	1,269	2,030	1,975	1,452	523	51.7	1,049
1951.....	1,780	1,310	2,332	2,072	1,488	584	51.1	1,191
1952.....	1,772	1,273	2,256	2,055	1,557	498	49.9	1,125
1953.....	1,633	1,261	2,059	1,995	1,480	515	52.3	1,076
1954.....	1,668	1,346	2,243	1,935	1,419	516	51.1	1,147
1955.....	1,495	1,466	2,193	2,058	1,410	648	53.2	1,166
1956.....	1,364	1,596	2,176	1,929	1,373	556	53.7	1,169
1957.....	1,122	1,486	1,668	1,921	1,393	528	56.1	936
1958.....	1,078	1,611	1,737	1,923	1,388	535	59.9	1,040
1959.....	1,153	1,558	1,796	1,928	1,425	503	58.3	1,048
1960.....	1,142	1,703	1,944	2,030	1,463	567	60.9	1,186
1961.....	1,174	1,755	2,061	2,051	1,461	590	63.8	1,315
1962.....	1,224	1,891	2,315	2,002	1,472	530	58.9	1,364
1963 ²	1,175	1,993	2,343	2,056	1,447	609	57.7	1,352
1964 ²	1,080	2,066	2,230				58.6	1,307

¹ For Flue-cured and Cigar-wrapper, year beginning July 1; for other types, Oct. 1.

Source: Tobacco Situations, December 1963 and December 1964, ERS, USDA.

² Preliminary.

TABLE III.—Quantity and amount of investment in outstanding loans on tobacco by Commodity Credit Corporation on Jan. 31, 1965

Kinds of tobacco	Quantity, redried and packed weight ¹	Amount of investment ²	Kinds of tobacco	Quantity, redried and packed weight ¹	Amount of investment ²
	Million pounds	Million dollars		Million pounds	Million dollars
Flue-cured.....	819	606	Other kinds ³	27	14
Burley.....	306	214	Total tobacco ⁴	1,210	864
Kentucky-Tennessee Fire-cured.....	38	20			
Kentucky-Tennessee Dark air-cured.....	20	10			

¹ The farm-sales weight equivalents of the tobacco under loan on Jan. 31, 1965, are estimated in million pounds as follows: Flue-cured, 952; burley, 344; Kentucky-Tennessee Fire-cured, 42; Kentucky-Tennessee Dark air-cured, 23; other kinds, 29; and total tobacco 1,390.² The amount of investment shown in CCC accounts represents the unpaid principal balance of the loans to cooperative associations to implement price-support operations

at the grower level. The actual value of the tobacco pledged as collateral for these loans based on the prices at which it is available to the trade exceeds the CCC investment by a sizable margin.

³ Includes Virginia Fire-cured, Connecticut-Massachusetts Cigar-binder, Wisconsin-Ohio Cigar-binder and Cigar-filler, and Maryland tobaccos.⁴ Total differs slightly from summation of kinds due to rounding.

TABLE IV.—Value of tobacco exports (sales for dollars and for local currencies, by years)

Calendar year	Value of all tobacco exports	Value of tobacco exports, title I, Public Law 480	Title I sales as percent of total exports	Calendar year	Value of all tobacco exports	Value of tobacco exports, title I, Public Law 480	Title I sales as percent of total exports
	Millions	Millions	Percent		Millions	Millions	Percent
1955.....	\$418.8	\$31.3	7.5	1960.....	476.8	22.0	4.6
1956.....	399.3	48.5	12.1	1961.....	499.0	20.4	4.1
1957.....	432.7	26.6	6.1	1962.....	491.0	22.2	4.5
1958.....	439.5	28.3	6.4	1963.....	522.4	25.1	4.8
1959.....	440.5	41.6	9.4	1964.....	544.5	22.9	4.2

Principal markets for tobacco: United Kingdom, West Germany, Japan, Netherlands, Belgium, Sweden, Switzerland, Denmark, Ireland, Australia.

Principal markets for Public Law 480 commodities: Developing countries.

TABLE V.—Price support and related program costs, basic ¹ and selected commodities, Oct. 17, 1933, through June 30, 1964

Commodity	Price support	Title I, Public Law 480	Total ²
Feed grains.....	\$3,990,799,783	\$785,762,898	³ \$5,292,163,840
Corn and products.....	(2,865,711,758)	(435,961,353)	(3,622,686,201)
Wheat and products.....	2,089,714,316	7,399,536,695	⁴ 12,571,816,232
Rice.....	228,129,085	818,308,104	1,245,520,628
Tobacco.....	43,655,959	281,951,387	329,132,552
Cotton, upland.....	1,273,391,336	1,609,769,839	⁵ 3,786,367,178
Dairy products.....	3,362,560,982	126,731,645	4,198,028,330
Oils and oilseeds.....	589,085,430	793,478,380	1,432,472,169
Peanuts.....	(266,410,022)	0	(266,410,022)
Total.....	12,658,994,789	14,728,570,734	31,871,171,416

¹ Basic commodities: Corn, wheat, rice, tobacco, cotton, peanuts.² In addition to price support losses and title I, Public Law 480, costs shown, includes realized losses from price-support related programs, and cost of other programs operated under specific statutory authority for separate reimbursement.³ Does not include 1963 crops price-support payments, \$382,409,240, and acreage diversion payments, \$2,459,529,993.⁴ Includes \$1,433,029,637 under International Wheat Agreement.⁵ Does not include 1963 crops price-support payments, \$79,169,092, and acreage diversion payments, \$448,379,518.⁶ Does not include cotton equalization program payments, \$62,609,966.

Source: Commodity Credit Corporation report of financial condition and operations, June 30, 1964.

Table VI

Excise taxes on tobacco products, fiscal year ending June 30, 1964:

[In thousands]

Federal excise tax on tobacco products (96.3 percent from cigarettes).....	\$2, 052, 545
Total State excise tax on tobacco products (98.2 percent from cigarettes).....	1, 279, 620
Local excise tax on tobacco products (99.2 percent from cigarettes).....	58, 704
Total, all tobacco products (97.1 percent from cigarettes).....	3, 390, 869

The tobacco growers receive an average of slightly more than 3 cents for the tobacco contained in a package of cigarettes. The Federal, State, and local governments together impose cigarette taxes the weighted average of which 13.3 cents per package, or more than four times as much as the growers receive.

TABLE VII.—1964 tobacco allotments, by States, burley, Flue, Fire, Air, Sun, Maryland, Cigar-Binder, and Cigar-filler and Cigar-binder

FLUE-CURED ¹

State	Number of allotments	Acreage allotted
Alabama.....	253	501.80
Florida.....	6,922	13,599.77
Georgia.....	25,889	64,930.15
North Carolina.....	117,102	421,045.49
South Carolina.....	25,252	74,132.48
Virginia.....	22,657	64,030.94
Total.....	198,075	638,240.63

BURLEY ²

State	Number of allotments	Acreage allotted
Alabama.....	41	30.42
Arkansas.....	79	54.13
Georgia.....	216	91.16
Illinois.....	12	5.23
Indiana.....	9,683	7,906.30
Kansas.....	53	85.08
Kentucky.....	142,855	204,256.46
Missouri.....	1,651	3,192.96
North Carolina.....	18,156	10,585.67
Ohio.....	10,798	10,110.37
Pennsylvania.....	2	1.63
South Carolina.....	9	4.39
Tennessee.....	93,081	65,062.83
Texas.....	2	.46
Virginia.....	17,381	11,369.91
West Virginia.....	4,614	2,941.37
Total.....	298,633	315,698.37

FIRE-CURED (TYPES 22, 23, AND 24) ³

State	Number of allotments	Acreage allotted
Illinois.....	1	0.04
Kentucky.....	9,107	13,877.27
Tennessee.....	8,795	15,616.84
Total.....	17,903	29,494.15

FIRE-CURED (TYPE 21) ⁴

State	Number of allotments	Acreage allotted
Virginia.....	7,281	9,144.95

DARK AIR-CURED ⁵

State	Number of allotments	Acreage allotted
Indiana.....	116	34.89
Kentucky.....	19,491	12,057.39
Tennessee.....	4,818	2,040.06
Total.....	24,425	14,132.34

SUN-CURED ⁶

State	Number of allotments	Acreage allotted
Virginia.....	2,282	3,471.64

TABLE VII.—1964 tobacco allotments, by States, burley, Flue, Fire, Air, Sun, Maryland, Cigar-Binder, and Cigar-filler and Cigar-binder—Continued

CIGAR-FILLER AND CIGAR-BINDER ⁷

State	Number of allotments	Acreage allotted
Illinois.....	3	4.25
Indiana.....	2	1.27
Iowa.....	1	7.24
Minnesota.....	121	168.70
New York.....	71	35.06
Ohio.....	1,586	4,584.95
Pennsylvania.....	122	176.04
Wisconsin.....	6,185	15,346.68
Total.....	8,091	20,324.19

CIGAR-BINDER ⁸

State	Number of allotments	Acreage allotted
Connecticut.....	1,294	4,492.32
Massachusetts.....	946	2,188.76
New York.....	1	.04
Vermont.....	1	3.35
Total.....	2,242	6,684.47

MARYLAND ⁹

State	Number of allotments	Acreage allotted
Delaware.....	1	0.13
Maryland.....	6,667	47,275.98
Virginia.....	92	22.13
Total.....	6,760	47,298.24
Grand total.....	565,692	1,084,488.98

¹ Average Flue-cured allotment, 3.22 acres.

² Average burley allotment, 1.06 acres.

³ Average Fire-cured allotment (types 22, 23, and 24), 1.65 acres.

⁴ Average Fire-cured allotment (type 21), 1.26 acres.

⁵ Average Dark Air-cured allotment, 0.58 acre.

⁶ Average Sun-cured allotment, 1.52 acres.

⁷ Average Cigar-filler and Cigar-binder allotment, 2.51 acres.

⁸ Average Cigar-binder allotment, 2.98 acres.

⁹ Average Maryland allotment, 7 acres.

NOTE.—Average size, all tobacco allotments, 1.92 acres.

DESCRIPTION OF COOPER AMENDMENTS NOT DISCUSSED IN INDIVIDUAL VIEWS

Amendments Nos. 3 and 5 provide the same 5-year base period—1959 through 1963—for other kinds of tobacco as the House bill provides for Flue-cured. It must be made clear that 1965 production will not count as history for building the poundage quota which will determine the farm income for every future year. To do so would be to require farmers to compete to produce this year the highest possible poundage. While this would stimulate surplus production, only those who managed to increase yields even more than the average would benefit, as under the formula all yields would be uniformly factored back.

Nineteen hundred and sixty-four was a drought year in much of Kentucky and other tobacco States. If this year were included, those farmers not hit by drought could use 1964 record yields. But those suffering a crop failure would have to pick up 1961 as their third best year—when yields were much lower. This would create an inequity, discriminating against those hit by drought.

Amendment No. 9 limits the farm yield for new tobacco farms to not more than the community average yield. County ASCS Committees have discretion now in determining the size of a new grower allotment, according to similar farms in the same area. The amend-

ment would set a standard on the yields to be assigned to new farms.

Amendment No. 10 makes it clear that the bill does not grant authority for leasing burley allotments, prohibited by the Cooper Amendment now contained in section 316 of the Agricultural Adjustment Act of 1948, as amended in 1961.

ACKNOWLEDGMENT

Before this bill is passed, I think mention should be made of Mr. Frank R. Ellis, for a number of years Chief of the Price Support Branch of the Tobacco Division of the Department of Agriculture, and later executive secretary to Congressman FRANK STUBBLEFIELD, of Kentucky. Mr. Ellis is a native of Murray, Ky., and the brother of Mr. Holmes Ellis, general manager of the Western Dark Fired Tobacco Growers Association. He is now engaged in very important work as Director of the Food for Peace program in the Agency for International Development.

Ten years ago Frank Ellis worked out the essentials of the acreage-poundage plan, and represented the Department of Agriculture in the field hearings that were held on the 1957 bill. I think all who know tobacco acknowledge his foresight and leadership, and credit is due him for laying the ground work for the program the Congress is today authorizing the Secretary of Agriculture to present to tobacco growers for their decision.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc of the Senator from Georgia [Mr. TALMADGE] and the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, I call for a division.

Mr. DOUGLAS. Mr. President, can we not have a ye-a-and-nay vote on this amendment?

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. What is the issue now before the Senate? Is it passage of the bill?

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc of the Senators from Georgia and Florida.

Mr. DOUGLAS. Can the yeas and nays be ordered?

Mr. JORDAN of North Carolina. On passage only.

The PRESIDING OFFICER. A division is called for.

On a division, the amendments were rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JORDAN of North Carolina. Mr. President, I ask for a third reading of the bill.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on engrossment of

the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time. The bill was read the third time.

Mr. WILLIAMS of Delaware. Mr. President—

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. Mr. President, the Surgeon General recently issued a report, warning the American people about the use of tobacco as being injurious to the health of the American citizen.

Another committee is currently considering a bill under which it is proposed to label cigarettes as dangerous and to emphasize to the American people that the use of tobacco is injurious to health.

The Senate here today has before it a bill which would further subsidize the production of tobacco while this other agency of Government asserts tobacco to be injurious to the health.

During the past few years, we have spent over \$39 million in subsidizing the production of tobacco. The time has come when we should stop these contradictory programs. We should defeat this bill, then repeal the entire program, and stop the use of the taxpayers' money to subsidize a product which every agency of the Government states is injurious to the American citizen.

I hope that the bill will be defeated. This contradiction just does not make sense.

CLOSING OF VETERANS' ADMINISTRATION HOSPITALS

Mr. ALLOTT. Mr. President, over the weekend, the President announced the appointment of a blue ribbon committee, of which the Chairman is Barrett Prettyman, and the members are Representative OLIN TEAGUE, Representative ROSS ADAIR, Gen. Alfred Gruenther, Dr. Dudley White, James Gleason, and the Senator from Louisiana [Mr. LONG].

This committee will report on the veterans hospital situation by June 1.

In the meantime, Mr. Earl Cooper, with the assistance of two persons from the General Accounting Office, have investigated many of the hospitals which are to be closed, and have accumulated a fine report containing an analysis and reasons for the closings.

I invite the attention of the Senate to the fact that the report of the so-called blue ribbon committee is not due until June 1, whereas under the terms of present law, the hospitals will be closed on May 1.

It is time for the Senate to face this dilemma and solve it. I have an idea that the Senate will do so in the next few days. In the meantime, I ask unanimous consent to have printed in the RECORD the report to which I have referred.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

VETERANS' ADMINISTRATION HOSPITAL, GRAND JUNCTION, COLO.

REASONS FOR CLOSING

The Grand Junction VA Hospital is a small high-cost hospital.

This hospital does not meet VA's needs for future care of veterans.

This hospital is isolated from the standpoint of veteran population.

This hospital is isolated from the standpoint of scientific stimuli.

Its 9 physicians, 1 dentist, and 24 nurses (out of a total employment of about 170) have been operating a hospital at less than optimum capacity.

Its nine physicians, one dentist, and 24 nurses have been unable to develop the type of medical atmosphere which the VA should have.

Although this hospital has a nominal affiliation it currently has no residents and no training programs.

This percentage is rated to the number of "operating beds" which is a budgetary quantity and is not necessarily related to the capacity. For example, at Grand Junction for fiscal year 1965 the actual capacity is 152 beds but the "operating bed" level for computing bed occupancy rates is 136 beds.

This hospital cannot justify the expenditures of research funds.

ANALYSIS OF REASONS FOR CLOSING

Size

This hospital is the fifth smallest hospital in the VA system and has a capacity of 152 beds.

Cost of operation

As to per diem costs (costs per patient per day) Grand Junction costs for fiscal year 1964 were \$34.07 per patient per day. This is \$5.69 higher than the national average of \$28.38. Thirteen of the 129 G.M. & S. hospitals show higher per diem costs. The nearest hospitals (which are designated to absorb the Grand Junction patient load) show costs as follows: Denver \$31.86, with 528 beds, Salt Lake City \$30.25, with 532 beds.

The cost per patient treated at Grand Junction for fiscal year 1964 was \$850. Of the 129 G.M. & S. hospitals in the VA system 70 had higher costs per patient treated. The average cost per patient treated was \$925 for all VA G.M. & S. hospitals.

This hospital is not located adjacent to a medical school and thus is unable, according to VA, to offer the broad spectrum of medical specialties that could be offered at a hospital affiliated with and adjacent to a medical school. This broad spectrum of medical specialties seem to be the VA goal for the future, according to Dr. Joseph H. McNinch, Chief, VA Medical Director.

The attached brochure prepared by the Veterans of Foreign Wars shows how isolated this hospital is from the veteran population and some of the travel hardships involved. (See p. 119.)

This hospital is located 258 miles from Denver and 290 miles from Salt Lake City where the closest medical schools are located. According to Dr. L. A. Zink, Associate Deputy Chief Medical Director of VA, the proper scientific stimuli can only be found in a close affiliation with a medical school at a hospital located adjacent to the school.

The hospital has been operating at less than what VA considers to be the optimum. VA considers that a bed occupancy rate of 85 to 92 percent provides the best possible patient care. Grand Junction has had the following occupancy rates: Fiscal year 1960, 78.9 percent; 1961, 77.6 percent; 1962, 75 percent; 1963, 63.8 percent; 1964, 75.9 percent; and the first half of fiscal year 1965, 75 percent.

The ambiguity of the term "medical atmosphere" makes analysis of this justification difficult, if not impossible.

Apparently VA is referring to the location of the hospital, some distance from a medical school, because without a close affiliation program, VA contends a topflight medical atmosphere does not exist.

At present there are two physicians in the "preceptorship" or advanced residency program" at the hospital. This program has been operated with two residents on duty for several years. At the end of the 2-year program the "preceptors" have sufficient experience and enough cases to meet the requirements of the American Board of Surgery. The Deans Committee of the University of Colorado Medical School supervises the program. This affiliation has provided staff doctors without hardly any recruiting effort and has on occasion resulted in a waiting list for the positions which will become open.

In fiscal year 1964, the Grand Junction hospital had two research projects with a total cost allowance of \$3,020; a study of erythropoiesis in emphysema; and the relationship of high altitude to hiatus hernia.

Physical condition of buildings and equipment, as of Feb. 23, 1965—Continued

PER INSPECTION BY CHIEF ENGINEER—Continued

Building or equipment	Condition	Recommendations
Fire hydrants.....	Good.....	None.
Sanitary sewers.....	do.....	Do.
Storm sewers.....	do.....	Catch basins and lines should be flushed regularly.
Steam distribution.....	do.....	None.
Electric distribution.....	do.....	Do.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The Senate resumed the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price-support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.
Mr. MANSFIELD. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH], are absent on official business.

I also announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from South Dakota [Mr. McGOVERN], the Senator from New Hampshire, [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS], are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Florida [Mr. SMATHERS].

If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Florida would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Delaware [Mr. BOGGS], the Senator from New York [Mr. JAVITS]

and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] is absent on official business.

The Senator from California [Mr. MURPHY], the Senator from Kansas [Mr. CARLSON] and the Senator from Iowa [Mr. HICKENLOOPER] are detained on official business.

If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea."

On this vote, the Senator from California [Mr. MURPHY] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from California would vote "yea" and the Senator from Utah would vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Delaware [Mr. BOGGS]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Delaware would vote "nay."

The result was announced—yeas 54, nays 16, as follows:

[No. 43 Leg.]

YEAS—54

Aiken	Fulbright	Monroney
Anderson	Harris	Montoya
Bartlett	Hart	Morton
Bass	Hayden	Moss
Bayh	Inouye	Mundt
Bible	Jackson	Muskie
Brewster	Jordan, N.C.	Prouty
Byrd, Va.	Kennedy, Mass.	Proxmire
Byrd, W. Va.	Kennedy, N.Y.	Randolph
Cannon	Kuchel	Robertson
Case	Long, Mo.	Scott
Church	Mansfield	Smith
Clark	McCarthy	Symington
Cooper	McClellan	Thurmond
Dirksen	McGee	Tower
Douglas	McNamara	Tydings
Ervin	Metcalfe	Young, N. Dak.
Fannin	Mondale	Young, Ohio

NAYS—16

Allott	Hruska	Ribicoff
Cotton	Jordan, Idaho	Simpson
Curtis	Lausche	Talmadge
Dominick	Miller	Williams, Del.
Fong	Morse	
Holland	Pell	

NOT VOTING—30

Bennett	Hickenlooper	Neuberger
Boggs	Hill	Pastore
Burdick	Javits	Pearson
Carlson	Johnston	Russell
Dodd	Long, La.	Saltonstall
Eastland	Magnuson	Smathers
Ellender	McGovern	Sparkman
Gore	McIntyre	Stennis
Gruening	Murphy	Williams, N.J.
Hartke	Nelson	Yarborough

So the bill (H.R. 5721) was passed.

Mr. JORDAN of North Carolina. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MILITARY PROCUREMENT AUTHORIZATION

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of Calendar 134, Senate bill 800, and that it be laid down and made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 800) to authorize appropriations during the fiscal year 1966 for the procurement of aircraft, missiles, and naval vessels, and research, development, tests, and evaluation for the Armed Forces, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE OTEPEKA CASE AND ITS SEQUEL

Mr. MILLER. Mr. President, in the April 4 issue of the Des Moines Register appears an article by Clark Mollenhoff, highly regarded reporter of the Register's Washington Bureau, relating a most unfortunate development in the State Department's bizarre handling of the case of Otto Otepeka.

It will be recalled that Mr. Otepeka headed the evaluators in the Security Division of the State Department at one time and was the recipient of awards for outstanding service to the Government. When he was called to testify before the Senate Internal Security Subcommittee regarding lax practices which had come to light in the Department's security clearance program, he offered evidence which made it clear that false testimony had been given the committee by certain high State Department officials. Notwithstanding this false testimony, one of the three officials concerned is still on the payroll at the State Department; the other two were permitted to resign, thus protecting all of their retirement rights, and one of these has since been added to the legal staff of the Federal Communications Commission. On page 86 of the January 8, 1964, issue of the CONGRES-

SIGNAL RECORD will be found excerpts from the Senate Internal Security Subcommittee's previously classified hearing reports on this matter which I included in my remarks before the Senate.

Charges were made against Mr. Otepka by one of these officials. Even though his false testimony before the Senate Internal Security Subcommittee has been made clear, these charges have not been withdrawn. Mr. Otepka's reward for long and faithful service to the Government and for integrity before the Congress has been reassignment to paper-shuffling duties in the Department while a case for discharging him from the Department has dragged on.

Last October 31, the Senate Internal Security Subcommittee wrote a letter to the Secretary of State, expressing its confidence in Mr. Otepka's "integrity, capability, and professional skill," asserting the right of a committee of the Senate to have testimony of any official or employee of the Government respecting any question of security or possible wrongdoing in any department or agency, if the subject matter of the committee's inquiry falls within its jurisdiction, declaring that a Government employee who comes before a Senate committee and testifies truthfully should not thereafter be penalized or disciplined in any way for doing so, and pointing out that Mr. Otepka's testimony has been "a valuable contribution to the Internal Security Subcommittee's current investigation of security in the State Department."

The subcommittee renewed its expression of confidence in Mr. Otepka on March 11 of this year. Still the charges against Mr. Otepka have not been dropped.

Now it is revealed in the Des Moines Register article that retaliation is being taken against some of Mr. Otepka's associates in the security division. In March 1964 six of his associates were transferred out of the security division into the Bureau of Inter-American Affairs for work which they were told was on a supersecret project. At the time, these men did not wish to be transferred and they contended that the transfer was a disciplinary move to get them out of the security business because they had agreed to give testimony in behalf of Mr. Otepka. It now appears that the supersecret work to be done in the Bureau of Inter-American Affairs was not very important at all, and two of these men are being transferred out of there to positions in El Paso and Denver where they may find their jobs eventually abolished with no protection to their rights as security investigators. They regard these moves as demotions, and they have taken action to appeal the transfers through civil service procedure. As of last Friday their salaries were cut off in a move to force them, through economic necessity, to accept these transfers.

One of these men, John R. Norpel, served in the Federal Bureau of Investigation in highly sensitive positions for 10 years before going to work for the State Department. Howard Shea, the other security officer, also has a fine record of service. Their only offense, it

seems, is that they have had the courage to stand by Otto Otepka, because they know of Mr. Otepka's faithfulness to our country's security and they also know of the lax practices which occurred in the State Department clearance procedures.

Here is an instance of a "public be damned" attitude on the part of those in control of the State Department. It makes no difference how loyal these employees have been. It makes no difference that they have been right and some of the higher-ups who tried to get Otto Otepka were proved to be perjurers. It makes no difference that lax practices in security were found out and that the Congress was given truthful testimony about such practices. All that seems to matter is that Otto Otepka and his loyal associates shall be made to pay the price for stepping on sensitive toes of certain officials in the State Department who had no business having sensitive toes.

I hope the Civil Service Commission will look into these cases, and I hope the appropriate committees of the House and Senate will make sure that the civil service rights of these loyal employees are protected.

It is no doubt true that certain people in the State Department should be transferred out of Washington, but the one's who have made these unfortunate decisions are the ones who should be transferred—not those they have selected for punishment to satisfy their false sense of Departmental authority.

I ask unanimous consent that the article appearing in the Des Moines Register of April 4, to which I have referred, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUTOFF PAY OF TWO OTEPKA FRIENDS

(By Clark Mollenhoff)

WASHINGTON, D.C.—The State Department has cut off the salaries of two security officers who supported chief security evaluator, Otto E. Otepka, and opposed what they call "disciplinary transfers" out of the Washington area.

John R. Norpel, 39-year-old former FBI agent, said Saturday that the State Department is engaging in "economic retaliation" because of his efforts to fight a transfer that can "destroy" his civil service job rights.

NEW POSTS

Norpel and Howard Shea, also a security officer who agreed to testify for Otepka, were notified in February that they were being assigned to posts in El Paso, Tex., and Denver, Colo.

Both filed objections on grounds that the new jobs represented demotions, and also because it appeared that the new posts might be discontinued at anytime.

Neither Norpel nor Shea has been able to obtain any more than curt replies from the State Department personnel office or from William J. Crockett, the Deputy Under Secretary of State who is in charge of administration. Crockett has been a key figure in efforts to oust Otepka.

Otepka gave testimony before a Senate committee that was critical of his superiors, then produced three documents to prove he had told the truth and his superiors had not, on a security matter.

Norpel and Shea wanted specific assurance that the new jobs would not be abolished within a few months after they had been assigned to them. They also wanted to know

why they were being removed from positions in the Bureau of Inter-American Affairs, to which they were assigned only a year ago with assurances that this assignment required their expertise as investigators and security evaluators.

SIX-WEEK EFFORT

For 6 weeks, they have tried unsuccessfully to obtain written explanations of the reasons for the transfers, which were to be effective April 1. Instead of explanations, they have received notes indicating they have received all the information they will receive, and that the transfer decisions would not be changed.

Norpel wrote to Secretary of State Dean Rusk last week to appeal to him to examine the transfer decisions, but no reply had been received from Rusk when Norpel and Shea were informed they have been cut from the State Department payroll and must not visit the offices they occupied in the Bureau of Inter-American Affairs.

The notice, from G. Marvin Gentile, Deputy Assistant Secretary for Security, stated that Norpel and Shea are to be considered absent without leave from their Government jobs until they report to the posts in El Paso and Denver.

Norpel, who has a GS-13 civil service rating, received a salary of \$13,750 a year. Shea, with a GS-12 rating, received a salary of \$13,000 a year.

The letter of explanation from Crockett to Norpel stated that the assignment was made because of "the critical need for trained investigators in our field offices at this time."

GOOD OF SERVICE

"Your previous background as an investigator, and your present availability for reassignment had led to my decision that your reassignment to El Paso is for the good of the service."

Crockett stated that the position to which Norpel is being assigned "is a bona fide one."

Norpel in his correspondence has pointed out that only a year ago Crockett shifted him and five other men who supported Otepka from the security division, and at that time assured them that it was because of the great need for their services in a special secret project in the Bureau of Inter-American Affairs.

Norpel said Saturday that the assignment to the Bureau of Inter-American Affairs was "a farce," and that it appears that the assignment to El Paso is "merely to get me out of the way."

There have been assurances that Norpel will be permitted to return to Washington to testify on behalf of Otepka when his muster hearing comes up in May. However, the transfer of Norpel and Shea would remove them from daily contact with Otepka.

SPECIAL PROJECTS

When he transferred to the State Department security division in 1961, Norpel started working on a special project that involved restudy of a number of security cases of some high-level State Department career officers.

The work of Otepka, Norpel, and others on these special projects resulted in spotlighting laxity in the security procedures at the State Department followed by the highly critical investigation of State by the Senate Internal Security Subcommittee.

ADJOURNMENT

Mr. MILLER. Mr. President, I move that the Senate adjourn, under the previous order, until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 12 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, April 6, 1965, at 12 o'clock meridian.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business Postage and fees paid
U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 7, 1965

For actions of April 6, 1965

89th-1st; No. 61

CONTENTS

Accounting.....7	Job Corps.....16	Supplemental
Appropriations.....1,14	Land and water	appropriations.....1
Buildings.....1,33	conservation.....1	Textile labeling.....20,22
Conservation.....14,32	Lands.....32	Time.....39
Consumers.....43	Medicare.....2	Tobacco.....3,19
Contracts.....33	Milk indemnity.....5	Tomato imports.....30
Cotton... ..28	Mining.....1	Trade and Development
Disaster relief.....1	Monopolies.....31	Board.....15
Education.....11	National parks.....4,23	Transportation.....34
Electrification.....10	Nominations.....13	Urban affairs.....12
Farm labor.....6,18,25	Patents.....26	User charges.....14
Farm program.....38	Peanuts.....41	Walnut log exports.....9
Financial management.....7	Personnel.....36	Water research.....1,24
Foreign currencies.....40	Pesticides.....5,21	Wool imports.....8
Foreign trade.....8,9,30	Poverty.....17	Wool labeling.....20
Forest Service.....1	Public Law 480.....40	Workweek.....36
Housing.....12,42	Research.....1,27,35	
Information.....37	SCS user charges.....14	

HIGHLIGHTS: House passed supplemental appropriation bill. Rep. Cleveland urged quotas on wool imports. Several Representatives expressed concern over farm labor situation. Rep. Laird discussed amendment to extend indemnity payments to dairy farmers for milk containing pesticide residues. Sens. Hruska, Cannon and Mundt criticized proposed reduction in SCS appropriations and proposed SCS user charges. (Continued page 7)

HOUSE

1. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1965. By a vote of 248 to 62, passed without amendment this bill, H. R. 7091 (pp. 6872-88). See Digest 59, part 2, for a summary of items for this Department. Also, the bill includes: \$25 million for the President's disaster relief fund; \$16 million for the Land and Water Conservation Fund for acquisition of land or water, including not to exceed \$750,000 for the Forest Service; \$985,000 for the Office of Water Resources Research, Interior; \$14 million for unemployment compensation for Federal employees and ex-servicemen; \$45 million for the Department of

Commerce for supplemental grants-in-aid for Federal programs in the Appalachian Region; \$15,850,000 for the Department of the Interior for carrying out a nation-wide study of strip and surface mine rehabilitation and reclamation, and a program of mining area restoration, as authorized by the Appalachian Regional Development Act; and various amounts for claims and judgments. The committee report criticizes some of the Department's plans for closing certain small research stations. The committee report includes the following statement regarding limitations on the alteration of buildings by this Department:

"For many years appropriations for the Department/ of Agriculture/ have carried limitations on the amounts which may be spent for alteration of Federally-owned buildings. The committee agrees with the interpretation of the Department that these limitations apply only to costs involved in structural or physical changes in a building, but not to the cost of special equipment and facilities, and appurtenances necessary to their operation, needed to provide the controlled conditions necessary for the conduct of research and other programs of the Department. In the installation of such equipment and facilities, only those costs occasioned by actual physical change in the structure of the building should be charged to the limitation."

2. MEDICARE. The Rules Committee reported a resolution for consideration of H. R. 6675, to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance. p. 6941
3. TOBACCO. House conferees were appointed on H. R. 5721, to provide acreage-poundage marketing quotas for tobacco (p. 6872). Senate conferees have not yet been appointed.
4. NATIONAL PARKS. The Subcommittee on National Parks and Recreation of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 908, to authorize the Secretary of the Interior to designate the Nez Perce National Historical Park, Idaho. p. D268
5. MILK; PESTICIDES. Rep. Laird discussed his amendment "to extend for 5 months - through fiscal year 1965 - the authority of the Secretary of Agriculture to make indemnity payments to eligible dairy farmers whose milk has been condemned for containing pesticide residues." p. 6876
6. FARM LABOR. Several Representatives debated the farm labor situation, with some expressing concern that there is not a sufficient supply of domestic labor to harvest the crops. pp. 6898-6909, 6889, 6890
7. ACCOUNTING; FINANCIAL MANAGEMENT. The report of the House Government Operations Committee, "Submissions of Agency Accounting Systems for GAO Approval" (H. Rept. 179) (see Digest 49), includes recommendations as follows:

"The heads of departments and agencies should take immediate action to see that their subordinates involved in financial management proceed with dispatch to institute accounting systems in accordance with standards prescribed by the Comptroller General and to submit such systems to him for approval. Target dates agreeable to the Comptroller should be proposed and adhered to.

"A more vigorous approach should be taken by the Bureau of the Budget and the Treasury Department, as the principal executive agencies concerned, in spurring prompt compliance by those executive departments and agencies whose accounting systems have not been submitted to the Comptroller General for approval.

withstanding the provisions of the Act of July 31, 1894 (5 U.S.C. 62), said amount shall include any compensation due him for the period December 1, 1962, through December 14, 1962, and lump-sum leave payments based upon the period of civilian employment referred to in this Act.

"Sec. 3. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT O. OVERTON, MARJORIE C. OVERTON, AND SALLY EITEL

The Clerk called the bill (H.R. 3638) for the relief of Robert O. Overton, Marjorie C. Overton, and Sally Eitel.

There being no objection, the clerk read the bill, as follows:

H.R. 3638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Robert O. Overton, the sum of \$1,500; (2) to Marjorie C. Overton, the sum of \$5,000; and (3) to Sally Eitel, the sum of \$10,000, in full satisfaction of their claims against the United States arising out of an incident occurring on December 25, 1946, in Indianapolis, Indiana, involving a vehicle of the Army Air Corps for which suit may not be instituted under the tort claims procedure as provided in title 28, United States Code: Provided, That no part of the amount appropriated in this Act for the payment of any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSELL D. HARRIS

The Clerk called the bill (H.R. 3685) for the relief of Russell D. Harris.

There being no objection, the Clerk read the bill, as follows:

H.R. 3685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding laches or any statute of limitations, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Russell D. Harris, of Phoenixville, Pennsylvania, for retired pay under the Act of April 3, 1939 (53 Stat. 557; 10 U.S.C. 3687), or any other applicable law, and the said court is further authorized to determine

whether the said Russell D. Harris was, at the time he was relieved from active duty in August of 1943, permanently incapacitated for active service and whether any such incapacity was the result of an incident of service as a commissioned officer in the United States Air Force incurred in the line of duty and not due to his own misconduct.

With the following committee amendment:

On page 2, line 3, after "States" insert "Army."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES MAROWITZ

The Clerk called the bill (H.R. 1445) for the relief of Charles Marowitz.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

McKOY-HELGERSON CO.

The Clerk called the bill (H.R. 3137) for the relief of McKoy-Helgerson Co.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

STAIMAN BROS.-SIMON WRECKING CO.

The Clerk called the bill (H.R. 2166) for the relief of Staiman Bros.-Simon Wrecking Co.

There being no objection, the Clerk read the bill, as follows:

H.R. 2166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That jurisdiction is hereby conferred on the United States Court of Claims to hear, determine, and render judgment upon the claim of Staiman Brothers-Simon Wrecking Company against the United States for such losses arising out of disposal numbered 2 PRD-313A, dated June 30, 1960, as are determined to be due in law and equity because of the difficulty of adequate inspection prior to bid, and because of negligence and mistake by the Government in providing inadequate and erroneous information with the invitation to bid as to sizes, quantity, and character of the property.

SEC. 2. Suit upon the claim referred to in the first section of this Act may be instituted at any time within six months from the date of the enactment of this Act and all defenses of the United States based upon provisions in the invitation to bid and contract regarding warranty as to quantity, size, and character of the pipe and barring claims based upon errors or omissions in the description of the property are hereby waived: *Provided, That nothing in the Act shall be construed as an admission of liability on the part of the United States, and recovery, if any, shall be limited to such actual losses, not including unrealized profit.*

With the following committee amendments:

On page 1, line 10, after the word "of" insert "alleged".

On page 1, line 10, after the word "providing" insert "allegedly".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. PORTER F. SHELDON, U.S. AIR FORCE

The Clerk called the bill (H.R. 4026) for the relief of Lt. Col. Porter F. Sheldon, U.S. Air Force.

There being no objection, the Clerk read the bill, as follows:

H.R. 4026

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Colonel Porter F. Sheldon, 9047A, United States Air Force, Langley Air Force Base, Virginia, the sum of \$1,727.00 in full satisfaction of his claim against the United States for reimbursement in addition to the amount he received under section 2732 of title 10, United States Code, for household goods and personal effects damaged or destroyed aboard the Waterman Line steamship DeSota, carrier under Government contract, which was involved in an accident in the harbor at Antwerp, Belgium, on January 16, 1963. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT J. BEAS

The Clerk called the bill (H.R. 4443) for the relief of Robert J. Beas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CONVEY LAND TO HEIRS OF ADAM JONES, CREEK INDIAN

The Clerk called the bill (H.R. 70) to provide for the conveyance of approximately 80 acres of land to the heirs of Adam Jones, Creek Indian not enrolled.

There being no objection, the Clerk read the bill, as follows:

H.R. 70

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey in fee simple all of the right, title, and interest of the United States and of the Creek Tribe of Indians of Oklahoma in and to land described as the south half northwest quarter section 5, township 10 north, range 15 east, Indian meridian, Oklahoma, containing 80 acres, more or less, to the heirs of Adam Jones, Creek Indian not enrolled, in the proportions as determined by the county court of McIntosh County, Oklahoma, case numbered 5375, as follows:

Hattie Jones (wife), an undivided one-third interest; and Bobby R. Jones (son), Tommy Leon Jones (son), Carrie Lee Jones (daughter), Adam Jones, Junior (son), and Marietta Elciea Jones (granddaughter), each an undivided two-fifteenths interest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 65]

Andrews,	Holland	Roosevelt
Glenn	Jennings	Springer
Ashley	Jones, Ala.	Sweeney
Berry	McCulloch	Teague, Tex.
Bonner	Mailliard	Thompson, Tex.
Buchanan	Miller	Toll
Celler	Morrison	Tunney
Derwinski	Powell	Wright
Green, Oreg.	Redlin	

The SPEAKER. On this rollcall, 408 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SOUTH AMERICAN REGIONAL MEETING AT LIMA, PERU, OF INTERNATIONAL ROAD FEDERATION

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 273, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 273

Resolved, That, notwithstanding the provisions of H. Res. 741, Eighty-ninth Congress, the Committee on Public Works is hereby authorized to send five of its members and two staff assistants to Lima, Peru, to attend the South American regional meeting of the International Road Federation from May 14, 1965, to May 24, 1965, inclusive.

Notwithstanding section 1754 of title 22, United States Code, or any other provisions of law, local currencies owned by the United States shall be made available to the committee and employees engaged in carrying

out their official duties under section 190(d) of title 2, United States Code: *Provided*, (1) That no member or employee of said committee shall receive or expend local currencies or appropriated funds for subsistence in an amount in excess of the maximum per diem rates approved for oversea travel as set forth in the Standardized Government Travel Regulations, as revised and amended by the Bureau of the Budget; (2) that no member or employee of said committee shall receive or expend an amount for transportation in excess of actual transportation costs; (3) no appropriated funds shall be expended for the purpose of defraying expenses of members of said committee or its employees in any country where counterpart funds are available for this purpose.

That each member or employee of said committee shall make to the chairman of said committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or if such transportation is furnished by an agency of the United States Government, the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. Young].

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know whether there are any counterpart funds in Peru?

Mr. YOUNG. The Member from Texas will yield to the chairman of the Appropriations Committee.

Mr. MAHON. I believe other Members might speak as well, but there are no counterpart funds, as such, in Peru. However, there are funds which can be used for expenses of congressional travel, even though they are not technically counterpart funds.

Mr. GROSS. I was only hoping that this would not be in conflict with the injunction that tourism must stop, in the use of American dollars, until the deficit in the international balance of payments has been corrected. I hope this does not run afoul of that.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949 as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none and appoints the following conferees: Messrs. COOLEY, McMILLAN, ABBITT, STUBBLEFIELD, DAGUE, and LATTA.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1965

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7091) making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Ohio [Mr. Bow], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7091, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas [Mr. MAHON] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. Bow] will be recognized for 30 minutes.

Mr. MAHON. Mr. Chairman, earlier in the session we had a supplemental appropriation bill, which provided \$1.6 billion for the Commodity Credit Corporation.

This is a second supplemental appropriation bill for this session, and I trust it will be the last such bill until just prior to the end of the session when there may be a few items which will require attention; at least there usually are.

SUMMARY TOTALS OF THE BILL

The total amount in the bill is \$2,125,-833,083—a very considerable sum of money. The budget requests totaled \$2,-226,456,933, which means that we have suggested cuts aggregating \$100,623,850.

Under the 5-minute rule we can discuss any items which may be of special interest to individual Members. For that reason we agreed on more limited general debate. Under the 5-minute rule we can entertain any questions and amendments with respect to the bill.

This bill is divided, as Members will note from the bill and from the report, into four titles.

In title I there is about \$1,178 million included, which is what we might call, for the sake of a better term, the regular

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business Postage and fees paid

U. S. Department of Agriculture

Issued April 8, 1965

For actions of April 7, 1965

89th-1st; No. 62

CONTENTS

Appalachia.....	19	Guam.....	8	Retirement.....	22
Butter.....	25	Holiday.....	27	River basin.....	18
Civil defense.....	12	Housing.....	9	SCS user charges.....	4
Committees.....	16	Labor standards.....	28	Small business.....	21
Cosponsors.....	10	Lands.....	26	Social security.....	22
Credit unions.....	23	Loans.....	5,24	Tobacco.....	3
Distressed areas.....	10	Medicare.....	13	Urban affairs.....	9
Economic opportunity.....	7	National parks.....	17	User charges.....	4
Education.....	2,5	Nominations.....	7	Veterans' benefits.....	5
Electrification.....	6	Personnel.....	22	Waste disposal.....	24
Farm income.....	21	Poverty.....	7,10	Water resources.....	1,10,15
Farm labor.....	14	Recreation.....	11,20	Wilderness.....	26
Forests.....	26	Research.....	16		

HIGHLIGHTS: Senate committee reported bill to provide uniform policies re recreation and fish and wildlife benefits on water resource projects. Sen. Morten inserted Sen. Cooper's testimony on cigarette labeling and advertising bills. Reps. Leggett and Aspinall defended use of foreign farm laborers. Rep. Kee introduced and discussed bill to authorize FHA loans for waste disposal systems.

SENATE

1. **WATER RESOURCES.** The Interior and Insular Affairs Committee reported with amendments S. 1229, to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects (S. Rept. 149). p. 7009

Sen Lausche criticized the proposed construction of the Bridge Canyon and Marble Canyon dams on the Colorado River as a part of the Lower Colorado River Basin project. pp. 7023-4

2. **EDUCATION.** Began debate on H. R. 2362, the proposed Elementary and Secondary Education Act of 1965. pp. 7035-87

3. TOBACCO. Conferees were appointed on H. R. 5721, to provide for acreage-poundage marketing quotas for tobacco (p. 7013). House conferees have already been appointed.
Sen. Morton inserted Sen. Cooper's testimony before the Senate Commerce Committee challenging the authority of the Federal Trade Commission to impose regulations with regard to labeling and advertising in relation to the hazards of smoking. pp. 7025-7
4. USER CHARGES; SOIL CONSERVATION. Received N. Mex. and S. C. Legislature resolutions critical of the proposed user charge on SCS technical assistance to farmers and ranchers. pp. 7006-7009
5. VETERANS' BENEFITS. The Subcommittee on Veterans' Affairs of the Labor and Public Welfare approved for full committee consideration S. 9, to give cold war veterans educational and home loan benefits similar to those afforded veterans of World War II. p. D273
6. ELECTRIFICATION. Sen. Metcalf stated that the rate of return permitted most major power companies is now in excess of 7 percent and inserted an FPC listing of the rates of return for power companies. pp. 7029-31
7. NOMINATIONS. Confirmed the nominations of Jack T. Conway to be Deputy Director, and Glenn W. Ferguson, Otis A. Singletary, and Theodore M. Berry to be Assistant Directors of the Office of Economic Opportunity. p. 7089
8. TERRITORIES. Both Houses received from Interior an interim report on the long-range economic development plan for Guam. pp. 7002, 7006
9. HOUSING AND URBAN DEVELOPMENT. Sen. Javits submitted an amendment intended to be proposed to S. 1354, the housing and urban development bill. p. 7014
10. COSPONSORS were added to S. 1648, to provide grants for public works and development facilities, and other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; and S. 1636, to clarify the relationship of interests of the U. S. and of the States in the use of the waters of certain streams. p. 7014
11. RECREATION. Sen. Nelson inserted and commended an article discussing the development of recreational facilities on a farm in Wisc. pp. 7024-5
12. CIVIL DEFENSE. Sen. Young, O., criticized the Federal civil defense program as "useless." pp. 7014-5

HOUSE

13. MEDICARE. Began debate on H. R. 6675, to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance. pp. 6946-89
14. FARM LABOR. Reps. Leggett and Aspinall defended the use of treatment of foreign farm laborers in Calif. and Colo. and inserted articles and charts on this subject. pp. 6991-2, 6992-3

labor force was approximately \$5,336; by 1961, it had risen to \$7,188; and in 1963 it was up to \$7,789. Thus, even with the 1964 raise in income ceiling to \$6,000. The majority of working couples are ineligible to take advantage of the deduction.

The Commission concluded, in its 1963 report, that "tax deductions for child care expenses of working mothers should be kept commensurate with the median income of couples when both husband and wife are engaged in substantial employment." Consequently it was then recommended that "the limitation on the joint income of working wives and their husbands, above which the deduction for care of children and disabled dependents is reduced, be commensurate with the median income of couples when both are engaged in substantial employment."

Mr. President, the amendment to section 214 which I am introducing today will follow through on that recommendation and raise the joint income under which this deduction can be claimed to \$7,500.

This figure not only reflects the Commission's recommendation for approximating the median income of couples where both husband and wife are engaged in substantial employment, but presents a far more realistic and equitable income ceiling. Rather than giving relief to only the very poor, the ceiling of \$7,500 will allow many middle-income families, where the mother may work in order to provide for the higher education of her children or to put aside a nest egg for unexpected or extraordinary bills which may arise, to also share in the deduction.

The additional \$100 allowance for a third child which is included in my amendment will also benefit those many households with three or more children.

Clearly, the care of a third child—and more than 76 percent of our families with \$3,000 incomes have three or more children—adds a substantial amount to the cost of securing skilled and trustworthy day care help.

In originally suggesting the extra \$100 for three or more children, President Kennedy's Commission cited a 1961 study in which expenditures for nursery and babysitting services averaged \$58.22 per month or about \$700 a year, for mothers with children 16 years old and under who reported any such expenditures. The expenditures increased with the rise in the mother's income up to incomes of \$400 a month. For those with incomes of \$301 to \$400, the average expenditure for nursery and babysitting services was \$76.90 a month, or about \$925 a year.

Any working mother knows that a significant portion of the extra income she brings home must be allotted to either a nursery school, a regular nurse, or a neighbor in the business of babysitting, if that mother is to set foot out of the house in the morning and do her job without constant nagging doubts about the whereabouts of her children.

Thus, I think that the liberalizing amendments which I am submitting to section 214 will alleviate two related problems: That will allow working mothers—especially those in lower and

lower-middle income families—to provide decent, and in some cases, more reliable and more qualified day-care services for their children, and will enable these mothers, with their minds then at ease about their children, to perform their jobs more satisfactorily and with less strain on all concerned.

Finally, the amendments would convert section 214 from an itemized deduction to an excludable business expense. Instead of having to tediously itemize all deductions for this as well as other miscellaneous expenses—and only about half of all taxable returns take the itemized deductions—the taxpayer would just subtract the costs from adjusted gross income. In addition to thus giving the child-care deduction to many taxpayers who ordinarily would not or could not itemize it, this change would permit many taxpayers now eligible for the deduction to shift to the minimum standard deduction with consequent tax savings to themselves.

Let me illustrate the latter point—under the present arrangement for itemizing deductions, a three-children family with a joint income of \$6,000, \$600 in child care expenses and \$400 in medical expenses, would merely take a \$1,000 itemized deduction—since it is greater than the 10-percent standard deduction of \$600 in their case—and would end up with taxable income of \$3,200. Whereas, under my proposed amendment, that same couple would deduct the \$600 day-care cost as a business expense from their adjusted gross income of \$6,000, would then deduct their standard 10-percent deduction of \$600, and their \$1,800 exemptions for three children, and would be left with only \$3,060 as taxable income.

Back in 1962, President Kennedy outlined "the problem of how a mother can meet her responsibilities to her children and at the same time contribute to society in general" as one of the most sensitive and important issues facing American society. It is my hope that with passage of these amendments to the tax bill, we will have contributed a bit toward resolving that problem and insuring that when mothers work, their children do not become hostages to neglect, indifference, and mistreatment.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1743) to amend the Internal Revenue Code of 1954 to increase the limitations on the amounts deductible for the care of certain dependents and to provide that the amounts deductible shall be allowed as a deduction in determining adjusted gross income, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938 TO PROVIDE FOR ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The PRESIDING OFFICER. The Chair lays before the Senate a message

from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 5721), to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate insist on its amendments and agree to the request of the House for a conference thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. HOLLAND, Mr. TALMADGE, Mr. JORDAN of North Carolina, Mr. YOUNG of North Dakota, and Mr. COOPER conferees on the part of the Senate.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965—AMENDMENTS

AMENDMENT NO. 70

Mr. ERVIN (for himself and Mr. COOPER) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 2362) to strengthen and improve educational quality and education opportunities in the Nation's elementary and secondary schools, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 72

Mr. TOWER submitted amendments, intended to be proposed by him, to House bill 2362, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 73

Mr. PEARSON. Mr. President, we are being asked today to consider giving Federal assistance to education—to "strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools."

With this in mind, can we do otherwise than help out those communities which are suffering staggering blows to their educational systems because of the closures of defense installations and resultant loss of impacted area funds? I think not. It is my firm conviction that we must help all communities which are experiencing a cutback until they can reestablish their economies and revitalize their school systems. The relaxation of the phase-out schedule for Public Law 874 funds would be a significant step toward the achievement of this goal.

Therefore, I am today offering on behalf of myself and the Senator from Texas [Mr. Tower] an amendment to H.R. 2362 to assist school districts in areas throughout this Nation where defense installations are being closed down.

This is the same as S. 1256, which the Senator from Texas and I sponsored in February of this year and which is still pending before the Committee on Labor and Public Welfare.

Individual communities are working resolutely to offset the economic slack

caused by base closures, loss of families, and loss of income. However, these areas still have hosts of problems due directly to the closures. This amendment would extend the tapering off period of Public Law 874—the so-called impacted areas law—and would, as a result, cushion some of the impact by relieving a heavy burden of educational costs incurred directly as a result of the presence of defense installations.

Under the terms of this amendment, the original cutoff point at which 3 percent of the total number of students enrolled are required to be connected with a Federal installation would be reduced so that only 1 percent of the total number of students would be required to be in the federally impacted classification.

Furthermore, the percentage reduction in funds would be graduated over a 3-year period, with the funds being cutoff at the end of the fourth year. This amendment would liberalize, therefore, the phaseout portion of Public Law 874, and would give a community the benefit of funds for a longer period of time, even though the number of students identified with the federally impacted program was diminishing.

Mr. President, because so many of us here are vitally concerned with the effects of defense installation closures, I ask unanimous consent that my amendment be set out in full at this point in the RECORD for the information of my colleagues.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 73) was ordered to lie on the table, as follows:

At the end of the bill add a new section as follows:

"AMENDMENT TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS, TO PROVIDE FOR MORE GRADUAL REDUCTION OF PAYMENTS AS A RESULT OF TERMINATION OF ACTIVITIES OF THE DEPARTMENT OF DEFENSE

"SEC. 6060. (a) Clause (B) of paragraph (2) of subsection (c) of section 3 of the act of September 30, 1950, as amended (20 U.S.C. 238(c)(2)(B)) is amended to read as follows:

"(B) amounts to 3 per centum or more of the total number of children who were in average daily attendance during such year and for whom such agency provided free public education, except that—

"(i) such 3 per centum requirement need not be met by such agency for any period of two fiscal years which follows a fiscal year during which such agency met such requirement and was entitled to payment under the provisions of this section, but the payment under the provisions of this section to such agency for the second fiscal year of any such two-year period during which such requirement is not met, shall be reduced by 50 per centum of the amount thereof; or

"(ii) in the case of any local educational agency which fails for any fiscal year (following a fiscal year in which such agency met such 3 per centum requirement) to meet such 3 per centum requirement because of the termination of activities of the Department of Defense, the per centum requirement pursuant to this paragraph for such year and thereafter shall be 1 per centum; or

"(iii) in the case of any local educational agency which fails for any fiscal year (following a fiscal year in which such agency met the per centum requirements of this paragraph) to meet such 1 per centum requirement because of the termination of activities of the Department of Defense, such agency need meet no per centum requirement pursuant to this paragraph for such year and the three succeeding fiscal years, but the payment under the provisions of this section to such agency for such year shall be computed as though such agency had exactly met such 1 per centum requirement, and for the first such succeeding fiscal year when such agency does not meet any per centum requirement pursuant to this paragraph, such payment shall be reduced by 50 per centum of the amount thereof, for the second such succeeding fiscal year by 66⅔ per centum of the amount thereof, and for the third such succeeding fiscal year by 75 per centum of the amount thereof."

"(b) The amendment made by this section shall be effective on and after July 1, 1964."

HOUSING AND URBAN DEVELOPMENT ACT OF 1965—AMENDMENT (AMENDMENT NO. 71)

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (S. 1354) to assist in the provision of housing for low- and moderate-income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, urban mass transportation, and community facilities, which was referred to the Committee on Banking and Currency and ordered to be printed.

ADDITIONAL COSPONSORS OF BILLS

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills:

Authority of March 25, 1965:

S. 1625. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations of engage in certain activities for the purpose of influencing legislation directly relevant to the purposes which qualify such organizations for tax exemption, without losing certain benefits under that Code: Mr. HART.

Authority of March 29, 1965:

S. 1636. A bill to clarify the relationship of interests of the United States and of the States in the use of the waters of certain streams: Mr. BARTLETT and Mr. BENNETT.

Authority of April 1, 1965:

S. 1648. A bill to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions: Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CLARK, Mr. COOPER, Mr. FULBRIGHT, Mr. GORE, Mr. HARRIS, Mr. HART, Mr. HARTKE, Mr. INOUE, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LONG of Missouri, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MONTAYA, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. PROXMIER, Mr. RANDOLPH, Mr. RIEBICOFF, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio.

NOTICE OF HEARING ON THE NOMINATION OF SHERMAN J. MAISEL TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. ROBERTSON. Mr. President, I should like to announce that the Committee on Banking and Currency will hold a hearing on the nomination of Sherman J. Maisel, of California, to be a member of the Board of Governors of the Federal Reserve System. The hearing is scheduled to be held on Thursday, April 15, 1965, in room 5302, New Senate Office Building, at 9:30 a.m.

Any persons who wish to appear and testify in connection with this nomination are requested to notify Matthew Hale, chief of staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, telephone 225-3921.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. MUNDT:

Article entitled "Hoover Attacks Critics of Crime Rise Figures," written by Miriam Ottenberg, and published in the Washington Evening Star of April 4, 1965.

By Mr. SCOTT:

Article entitled "Appalachia, 1965-71," written by Edmund W. Woodbury, and published in the March 1965 issue of the National Limestone Institute magazine.

LET US STOP CIVIL DEFENSE WASTE

Mr. YOUNG of Ohio. Mr. President, for more than 14 years taxpayers' money has been wasted on an utterly outmoded, useless, civil defense program that has not added one measure of protection to the civilians of this country in the event of nuclear war. Over \$1,500 million dollars of taxpayers' hard-earned money has gone down the drain in one futile silly civil defense or civil defense shelter scheme after another.

For fiscal year 1966, officials of the Department of Defense have requested an appropriation of almost \$200 million for civil defense purposes. This, in addition to municipal and State funds spent for civil defense, so-called. At a time when municipalities and States are in dire need of new sources of revenue for vital public services—schools, streets and highways, urban renewal, and a multitude of others—it seems unconscionable for the Federal Government through matching grant programs to encourage them to spend scarce dollars to continue the civil defense boondoggle.

Most of this money is spent on salaries for local political hacks and courthouse politicians who have found a safe haven in the political storm enjoying high salaries and setting around waiting for the bombs to drop; in the meantime, making speeches before citizens groups

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees paid
U. S. Department of Agriculture

Issued April 9, 1965
For actions of April 8, 1975
89th-1st; No. 63

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

CONTENTS

Adjournment.....22	Flood damage.....19,35	Reorganization.....2,13
Animals.....29	Food forms.....15	Research.....29
CCC feed grain.....12	Foreign aid.....7,9	Retirement.....31
Conservation.....10	Housing.....18	Small business.....27
Cotton.....8	Manpower.....20	Surplus food.....7
Disaster relief.....19,35	Medicare.....17	Technical assistance.....9
Education.....2,25	National parks.....5	Tobacco.....1
Electrification.....23,33	Patents.....26	Transportation.....11
Experiment stations.....9	Personnel.....31	Urban renewal.....21
Farm labor.....6,32	Pesticides.....4	Water pollution.....14
Farm program.....12,24	Public works.....30	Water resources.....28
Federal-State programs..16	Reclamation.....36	
Feed grain.....12	Recreation.....28	

HIGHLIGHTS: Both Houses agreed to conference report on acreage-poundage tobacco bill. Senate committee reported bill to extend Reorganization Act. Sen. Kennedy, N. Y., spoke in support of cigarette labeling and advertising bill. Reps. Quie and Nelsen criticized Secretary Freeman's testimony on CCC grain "dumping". House Rules Committee cleared bill to extend Reorganization Act. House subcommittee voted to report bill to create Dept. of Housing and Urban Development. House subcommittee voted to report northwest flood disaster relief bill.

SENATE

1. TOBACCO. Both Houses received and agreed to the conference report on H.R. 5721, to provide for acreage-poundage marketing quotas for tobacco (H. Rept. 228) (pp. 7183-5, 7288-9). This bill will now be sent to the President.
Sen. Kennedy spoke in support of legislation to regulate the labeling and advertising of cigarettes. pp. 7258-9

2. REORGANIZATION. The Government Operations Committee reported with amendments S. 1135, to amend and extend the Reorganization Act of 1949 (S. Rept. 154). p. 7341
3. EDUCATION. Continued debate on H. R. 2362, the proposed Elementary and Secondary Education Act of 1965. pp. 7262-77, 7280-8, 7289-7341
4. PESTICIDES. Sen. Dirksen stated that "hysteria, half-truths, or insufficient information" must not affect actions with regard to the use of pesticides, and inserted an article reviewing the investigation of the House Appropriations Committee on pesticides, "Unit of House Is Rewriting 'Silent Spring'." p. 7238
5. NATIONAL PARKS. The Interior and Insular Affairs Committee reported with amendments S. 339, to provide for the establishment of the Agate Fossil Beds National Monument, Nebr. (S. Rept. 150). p. 7237
6. FARM LABOR. The Labor and Public Welfare Committee submitted a report, "The Migratory Farm Labor Problem in the United States" (S. Rept. 155). p. 7341
7. FOREIGN AID. Sen. Mansfield inserted, and he and others commended, the President's speech on Vietnam and southeast Asia, in which he proposed an economic development program including the use of surplus food, for this area. pp. 7231-37
8. COTTON. Sen. Tower inserted the cotton policy statement adopted by the West Texas Chamber of Commerce. p. 7248
9. FOREIGN TECHNICAL ASSISTANCE. Sen. Nelson spoke in support of enactment of legislation to expand the role of U. S. colleges and universities in the foreign technical assistance program, along the lines of the agricultural experiment station system, and inserted a Univ. of Wisconsin statement in support of such legislation. pp. 7244-6
10. CONSERVATION. Sen. Bible inserted a speech by Under Secretary of the Interior Carver reviewing Federal-State-local government cooperation in the field of conservation and natural resource development. pp. 7260-1
11. TRANSPORTATION. Sen. Ellender inserted a speech by Sen. Bartlett reviewing the role of the U. S. merchant marine in foreign commerce. pp. 7253-4

HOUSE

12. FARM PROGRAM. Rep. Quie criticized Secretary Freeman's testimony on the farm bill, stating that the Secretary made "an unprecedented and rare admission that he manipulated farm prices by dumping Commodity Credit Corporation feed grain surpluses on the market over the past 4 years to hold down farm prices." p. 7183
Rep. Nelsen criticized Secretary Freeman's testimony on the farm bill, stating that "Mr. Freeman disclosed that out of 3 million farmers...only 400,000 earn even close to parity of income." p. 7191

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

APRIL 8, 1965.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H.R. 5721]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 7, 8, 9, 10, 11, 13, 15, and 17, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *supplies to the reserve supply level. Any such downward adjustment shall not exceed 15 per centum of such estimated utilization and exports*; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *like manner, except that the five years 1960 to 1964, inclusive, may be used instead of the period 1959 to 1963, as determined by the Secretary*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be stricken by the Senate amendment insert the following: *the sum of 50 per centum of the average of the three highest years and 50 per centum of the national average yield goal but not less than*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be stricken by the Senate amendment insert the following: *except that in lieu of the five consecutive crop years beginning with 1959 the years 1960 to 1964, inclusive, may be used, as determined by the Secretary*; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *(120 per centum in the case of Burley tobacco for the first year for which marketing quotas are made effective under this section)*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

“(h) *Notwithstanding any other provision of this section, for any year subsequent to the first year for which marketing quotas are made effective under this section for Burley tobacco—*

“(1) *the farm acreage allotment for Burley tobacco under this section shall not be less than the smallest of (A) the acreage allotment established for the farm for such first year, (B) five-tenths of an acre, or (C) 10 per centum of the cropland; and*

“(2) *the farm marketing quota for Burley tobacco under this section shall not be less than the minimum allotment provided by clause (1) multiplied by the farm yield established for such first year for such farm.*

Farm acreage allotments and marketing quotas to which the provisions of (1) and (2) are applicable shall be subject to adjustment for overmarketing or undermarketing or reductions required by subsection (f). The additional acreage and quotas required under this subsection shall be in addition to the national acreage allotment and national marketing quota.

“Whenever the Secretary proclaims a quota on an acreage allotment basis (in lieu of on an acreage poundage basis)—

“(A) the minimum acreage allotment for Burley tobacco for any farm shall be determined under the provisions of the Act of July 12, 1952, as amended (7 U.S.C. 1315), instead of under the preceding provisions of this subsection;

“(B) clause (1) of the Act of July 12, 1952, shall for such purpose read as follows: ‘(1) the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis’; and

“(C) the proviso of that Act shall for such purpose read as follows: ‘Provided, however, That no allotment of seven-tenths of an acre or less shall be reduced more than one-tenth of an acre below the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis’.

And the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *(120 per centum in the case of Burley tobacco for the first year for which marketing quotas are made effective under this section); and the Senate agree to the same.*

HAROLD D. COOLEY,
JOHN L. McMILLAN,
W. M. ABBITT,
FRANK A. STUBBLEFIELD,
PAUL B. DAGUE,

Managers on the Part of the House.

ALLEN J. ELLENDER,
B. EVERETT JORDAN,
MILTON R. YOUNG,
JOHN SHERMAN COOPER,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill, H.R. 5721, to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The Senate made 17 numbered amendments to the House bill, most of which are of a technical nature.

The conferees agreed to accept 10 of the Senate amendments without change and to the revision and acceptance of the other 7 amendments.

Following is an explanation by number of the amendments agreed to by the conferees.

(1) Prevents downward adjustment of the national marketing quota under section 317(a) either (i) by more than 15 percent of estimated domestic consumption and exports, or (ii) so as to reduce supplies below the reserve supply level.

(2) Provides for use of the 1965 (instead of 1964) farm acreage allotment in computing the 1965 Flue-cured farm acreage allotment for the purpose of the acreage-poundage quotas.

(3) Provides that the "community average yield" shall be determined for other kinds of tobacco in the same manner as for Flue-cured except that the 5 years 1960-64 may be used instead of 1959-63.

(4) This Senate amendment made 120 percent of the community average yield the upper limit on preliminary farm yields (striking out the downward adjustment provided in the House bill for yields above that level). The revised amendment agreed to by the conferees makes no change in the House provisions on preliminary farm yields up to 120 percent of the community yields and will permit preliminary farm yields above that level based on 50 percent of the farm yield plus 50 percent of the national yield goal.

(5) Provides for use of the base period 1959-63 or 1960-64 in determining preliminary farm yields for kinds of tobacco other than Flue-cured.

(6) Permits the Secretary to conduct the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965) as long as 45 days after proclamation of the quota.

(7) Makes it clear that quotas on an acreage basis continue in effect if quotas on an acreage-poundage basis are disapproved under section 317(c).

(8) Provides that insofar as practicable notices of farm marketing quotas shall be mailed at least 15 days prior to the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965).

(9) Limits the farm yield for new tobacco farms to not more than the community average yield.

(10) Makes it clear that the bill does not grant authority for leasing allotments for burley or other tobacco not now covered by section 316.

(11) Provides for increasing acreage allotments transferred prior to the date the acreage-poundage quotas become effective for 1965 in the same proportion that acreage allotments are increased for 1965 under the acreage-poundage provisions.

(12) Provides that in the case of burley tobacco for the first year that acreage-poundage quotas are in effect, the amount which may be marketed without penalty and be accorded price support shall be 120 (instead of 110) percent of the farm marketing quota.

(13) Technical—strikes out quotation marks.

(14) Under existing law, burley allotments of one-half acre or less are protected from general acreage cuts. The amendment provides similar protection under acreage-poundage for small burley farms. Acreage allotments and poundage quotas for the first year under acreage-poundage would be established for all old burley farms on the same basis. For subsequent years, the farm acreage allotment would not be less than the smallest of the first-year allotment, five-tenths of an acre, or 10 percent of the cropland; and the farm marketing quota would not be less than that minimum allotment times the farm yield established for the farm the first year that acreage-poundage is in effect. The minimum allotments would be subject to adjustment due to overmarketing, on the same basis as all other farms. As amended, the amendment also provides that if quotas are later returned to an acreage basis, the farm's minimum allotment would again be based on the act of 1952 and its acreage allotment the last year the acreage program was in effect, before shifting to acreage-poundage. It is the purpose of the amendment to provide an acreage and poundage floor for small burley farms—fixed at one-half acre or 10 percent of the cropland, as in present law, or the first year's acreage and poundage established for the farm, whichever is smallest.

(15) Provides that if acreage-poundage quotas are approved for the 1965 flue-cured crop, the Secretary will consult with representatives of the tobacco industry concerning each kind of tobacco, conduct a study, and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry, recommending any modifications needed to improve the program and adapt it to other kinds of tobacco.

(16) Technical.—To conform to amendment No. 12.

(17) This amendment is intended merely to preserve the status quo in a court action now pending. It is the understanding of the conferees that the adoption of the Senate amendment incorporated as section 4 in the bill as it passed the Senate would in no way add to or detract from any of the rights of the parties in the case of *Brown et al. v. Freeman* now pending in the courts and would not add any factor which the courts could take into consideration in deciding that case.

HAROLD D. COOLEY,
JOHN L. McMILLAN,
W. M. ABBITT,
FRANK A. STUBBLEFIELD,
PAUL B. DAGUE,
Managers on the Part of the House.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that Members desiring to do so may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

DUMPING FEED GRAIN SURPLUSES

(Mr. QUIE was granted permission to extend his remarks at this point in the RECORD.)

Mr. QUIE. Mr. Speaker, Agriculture Secretary Orville Freeman has now made an unprecedented and rare admission that he manipulated farm prices by dumping Commodity Credit Corporation feed grain surpluses on the market over the past 4 years to hold down farm prices.

I have suspected this for a long time and have said so many times, but I almost fell off my chair when the Secretary testified to it before the House Agriculture Committee.

Secretary Freeman made the voluntary admission in testimony April 6 before the House Agriculture Committee.

It was certainly discouraging to learn that the agriculture programs are being administered in such a way that they do not benefit the farmer but are used to promote the extension of costly bureaucratic machinery.

The Secretary testified that the CCC dumped some 500 million bushels of wheat and 30 million tons of feed grains on the market and that this tended to keep prices below support—to make the program effective.

To make it worse, the Secretary charged that Congress had "intended" and "directed" that this be done. Now, I am in Congress and I remember that we even took some of the authority away from him in section 3 of that bill. In fact, I have joined with my colleagues many times in asking the Secretary to stop this practice after that bill was passed.

I have introduced a bill to prohibit the Commodity Credit Corporation from making domestic sales of feed grain commodities at prices less than 125 percent of current support prices. This bill is supported by such diverse groups as the Farmers Union and the Farm Bureau.

The Secretary said, in his testimony: "We must not yield to the temptation to make prices so high the programs become unworkable. The feed grain program has worked excellently. It has been well worth the cost. But the cost has been high and if it goes higher, the program will be gravely threatened."

In 1961, the Secretary promised that farm prices would rise to 90 percent of parity under his administration. Parity has never reached 90 percent since he

took office, and in fact, today is at 75 percent. Now he tells us that we cannot "yield to the temptation" of letting prices go up, because his farm programs might not work. The Secretary of Agriculture has now made this startling admission. The Budget Director wrote in his annual report that he thinks 2.5 million farm families could not be supported on the land. The President, in his state of the Union message, said nothing at all about the farmer. Farm income is nowhere near the 90 percent of parity promised. I intend to work harder than ever for passage of my bill to raise the resale formula to 125 percent, thus stopping the Secretary from further surplus dumping to hold farmers' prices down.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5721) entitled "An act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes."

NATIONAL ARTS AND CULTURAL DEVELOPMENT ACT OF 1964

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 325, Rept. No. 229) which was referred to the House Calendar and ordered to be printed:

H. RES. 325

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4714) to amend the National Arts and Cultural Development Act of 1964 with respect to the authorization of appropriations therein. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

REORGANIZATION ACT OF 1949

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 326, Rept. No. 230), which was referred to the House Calendar and ordered to be printed:

H. RES. 326

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union

for the consideration of the bill (H.R. 4623) further amending the Reorganization Act of 1949. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AGRICULTURAL ADJUSTMENT ACT OF 1938 AMENDMENTS

Mr. COOLEY submitted the following conference report and statement on the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes:

CONFERENCE REPORT (REPT. NO. 228)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 7, 8, 9, 10, 11, 13, 15, and 17 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "supplies to the reserve supply level. Any such downward adjustment shall not exceed 15 per centum of such estimated utilization and exports"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "like manner, except that the five years 1960 to 1964, inclusive, may be used instead of the period 1959 to 1963, as determined by the Secretary"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken by the Senate amendment insert the following: "the sum of 50 per centum of the average of the three highest years and 50 per centum of the national average yield goal but not less than"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken by the Senate amendment insert the following: "except that in lieu of the five consecutive crop years beginning with 1959

the years 1960 to 1964, inclusive, may be used, as determined by the Secretary"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "120 per centum in the case of Burley tobacco for the first year for which marketing quotas are made effective under this section"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(h) Notwithstanding any other provision of this section, for any year subsequent to the first year for which marketing quotas are made effective under this section for Burley tobacco—

"(1) the farm acreage allotment for Burley tobacco under this section shall not be less than the smallest of (A) the acreage allotment established for the farm for such first year, (B) five-tenths of an acre, or (C) 10 per centum of the cropland; and

"(2) the farm marketing quota for Burley tobacco under this section shall not be less than the minimum allotment provided by clause (1) multiplied by the farm yield established for such first year for such farm."

"Farm acreage allotments and marketing quotas to which the provisions of (1) and (2) are applicable shall be subject to adjustment for overmarketing or undermarketing or reductions required by subsection (f).

"The additional acreage and quotas required under this subsection shall be in addition to the national acreage allotment and national marketing quota.

"Whenever the Secretary proclaims a quota on an acreage allotment basis (in lieu of on an acreage poundage basis)—

"(A) the minimum acreage allotment for Burley tobacco for any farm shall be determined under the provisions of the Act of July 12, 1952, as amended (7 U.S.C. 1315) instead of under the preceding provisions of this subsection;

"(B) clause (1) of the Act of July 12, 1952, shall for such purpose read as follows: "(1) the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis"; and

"(C) the proviso of that Act shall for such purpose read as follows: "Provided, however, That no allotment of seven-tenths of an acre or less shall be reduced more than one-tenth of an acre below the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis"; and the Senate agree to the same."

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "120 per centum in the case of Burley tobacco for the first year for which marketing quotas are made effective under this section"; and the Senate agree to the same.

HAROLD D. COOLEY,
JOHN L. McMILLAN,
W. M. ABBITT,
FRANK A. STUBBLEFIELD,
PAUL B. DAGUE,

Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
B. EVERETT JORDAN,
MILTON R. YOUNG,
JOHN SHERMAN COOPER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill, H.R. 5721, to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The Senate made 17 numbered amendments to the House bill, most of which are of a technical nature.

The conferees agreed to accept 10 of the Senate amendments without change and to the revision and acceptance of the other 7 amendments.

Following is an explanation by number of the amendments agreed to by the conferees:

(1) Prevents downward adjustment of the national marketing quota under section 317(a) either (i) by more than 15 percent of estimated domestic consumption and exports, or (ii) so as to reduce supplies below the reserve supply level.

(2) Provides for use of the 1965 (instead of 1964) farm acreage allotment in computing the 1965 Flue-cured farm acreage allotment for the purpose of the acreage-poundage quotas.

(3) Provides that the "community average yield" shall be determined for other kinds of tobacco in the same manner as for Flue-cured except that the 5 years 1960-64 may be used instead of 1959-63.

(4) This Senate amendment made 120 percent of the community average yield the upper limit on preliminary farm yields (striking out the downward adjustment provided in the House bill for yields above that level). The revised amendment agreed to by the conferees makes no change in the House provisions on preliminary farm yields up to 120 percent of the community yields and will permit preliminary farm yields above that level based on 50 percent of the farm yield plus 50 percent of the national yield goal.

(5) Provides for use of the base period 1959-63 or 1960-64 in determining preliminary farm yields for kinds of tobacco other than Flue-cured.

(6) Permits the Secretary to conduct the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965) as long as 45 days after proclamation of the quota.

(7) Makes it clear that quotas on an acreage basis continue in effect if quotas on an acreage-poundage basis are disapproved under section 317(c).

(8) Provides that insofar as practicable notices of farm marketing quotas shall be mailed at least 15 days prior to the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965).

(9) Limits the farm yield for new tobacco farms to not more than the community average yield.

(10) Makes it clear that the bill does not grant authority for leasing allotments for burley or other tobacco not now covered by section 316.

(11) Provides for increasing acreage allotments transferred prior to the date the acreage-poundage quotas become effective for 1965 in the same proportion that acreage allotments are increased for 1965 under the acreage-poundage provisions.

(12) Provides that in the case of burley tobacco for the first year that acreage-poundage quotas are in effect, the amount which may be marketed without penalty and be accorded price support shall be 120 (instead of 110) percent of the farm marketing quota.

(13) Technical. Strikes out quotation marks.

(14) Under existing law, burley allotments of one-half acre or less are protected from general acreage cuts. The amendment provides similar protection under acreage-poundage for small burley farms. Acreage allotments and poundage quotas for the first year under acreage-poundage would be established for all old burley farms on the same basis. For subsequent years, the farm acreage allotment would not be less than the smallest of that first-year allotment, five-tenths of an acre, or 10 percent of the cropland; and the farm marketing quota would not be less than that minimum allotment times the farm yield established for the farm the first year that acreage-poundage is in effect. The minimum allotments would be subject to adjustment due to overmarketing, on the same basis as all other farms. As amended, the amendment also provides that if quotas are later returned to an acreage basis, the farm's minimum allotment would again be based on the act of 1952 and its acreage allotment the last year the acreage program was in effect, before shifting to acreage-poundage. It is the purpose of the amendment to provide an acreage and poundage floor for small burley farms—fixed at one-half acre or 10 percent of the cropland, as in present law, or the first year's acreage and poundage established for the farm, whichever is smallest.

(15) Provides that if acreage-poundage quotas are approved for the 1965 Flue-cured crop, the Secretary will consult with representatives of the tobacco industry concerning each kind of tobacco, conduct a study, and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry, recommending any modifications needed to improve the program and adapt it to other kinds of tobacco.

(16) Technical. To conform to amendment No. 12.

(17) This amendment is intended merely to preserve the status quo in a court action now pending. It is the understanding of the conferees that the adoption of the Senate amendment incorporated as section 4 in the bill as it passed the Senate would in no way add to or detract from any of the rights of the parties in the case of *Brown et al. v. Freeman* now pending in the courts and would not add any factor which the courts could take into consideration in deciding that case.

HAROLD D. COOLEY,
JOHN L. McMILLAN,
W. M. ABBITT,
FRANK A. STUBBLEFIELD,
PAUL B. DAGUE,
DELBERT L. LATTA,

Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, and to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. GROSS. Mr. Speaker, reserving the right to object, are the amendments to this bill, if any, germane to the bill?

Mr. COOLEY. All of them.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so have permission to extend their remarks in the RECORD on the conference report just adopted.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HECHLER. Mr. Speaker, on behalf of the many small growers of burley tobacco in the State of West Virginia, I would like to say we are very pleased with the fact that an amendment was added in the other body, and adopted by the conference, for the protection of small burley growers. There are many such tobacco growers in my district, and for them this is their only source of cash income. I have discussed this amendment with the gentleman from North Carolina [Mr. COOLEY], and also discussed the amendment with Senator JOHN SHERMAN COOPER, of Kentucky, and I am gratified that the provisions of this acreage-poundage bill contemplate future protection of the small growers of burley tobacco. It is in my district of West Virginia that the preponderance of burley tobacco is raised, and my many tobacco farmers are grateful for this protection.

TENTH ANNIVERSARY OF SALK'S DEVELOPMENT OF VACCINE AGAINST POLIOMYELITIS

Mr. ALBERT. Mr. Speaker, I offer a resolution (S. Con. Res. 30) and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

S. CON. RES. 30

Whereas April 12, 1965, is the tenth anniversary of one of the most significant medical achievements of our time, Doctor Jonas Salk's development of a successful vaccine against poliomyelitis; and

Whereas in the 10 years since the introduction of the Salk vaccine, there has been a 99 per centum reduction in the number of cases of polio in the United States; and

Whereas this dread disease which once at-

tacked as many as fifty-seven thousand Americans in a single year and made the summer months a time of fear and apprehension for parents across the Nation has now been eliminated as a public health problem; and

Whereas this great medical victory was won through a unique partnership between the American people and medical scientists like Doctor Salk, under the auspices of the National Foundation March of Dimes, and with the outstanding cooperation of the United States Public Health Service; and

Whereas a leading example of how this partnership is continuing and expanding is the Salk Institute for Biological Studies in La Jolla, California; and

Whereas this institute was conceived as a research center where scientists of international reputation could come and map out the high strategy of man's fight for health; and

Whereas Doctor Salk and his colleagues from all over the world are now at work on projects aimed at discovering the basic concepts of life itself; and

Whereas from this research can flow the specific methods to control disease and to promote the health and better understanding of man and his full potential: Now be it

Resolved by the Senate (the House of Representatives concurring), That Doctor Jonas Salk and the National Foundation March of Dimes be congratulated on this 10th anniversary of the announcements of the world's first effective vaccine against polio, that the Nation express its gratitude to Doctor Salk and to his colleagues concerned with this historic discovery and to the Foundation and that our confidence be expressed that the work of the National Foundation March of Dimes—especially its fight against birth defects—and of the Salk Institute for Biological Studies will bring about the blessings of better health for our society and all its citizens.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

UNITED STATES ROLE IN SOUTH VIETNAM

(Mr. CRALEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CRALEY. Mr. Speaker, I should like to extend my congratulations to President Johnson for his lucid, penetrating, and convincing presentation of the United States role in South Vietnam.

More than that, and I think I speak for many of my fellow Congressmen, I should like to express my deep gratitude and intense enthusiasm for his projected policies in southeast Asia.

President Johnson has indicated that while we will keep the sword bared, we will carry in the other hand the olive branch; that we welcome negotiation, an "unconditional discussion," with many or few, now or later, on the basis of old or new treaties. As he reminds us this is the only path of reasonable men and we would be reasonable men. We are, in other words, anxious and ready for peace in that far off land where our young men are dying, but if peace is to be negotiated, the interests of that helpless and hapless nation of southeast Asia; namely, South Vietnam, to which we are and remain committed, must be preserved. We will not embrace a peace that requires a desertion.

Moreover, I should like to applaud particularly and concur in President Johnson's positive program for southeast Asia. Not only are we endeavoring to terminate the use of military arms as rapidly as possible, but to commence an all-out war on poverty in that vast area of underprivileged human beings,

deprived not of the comforts of life alone, but of the necessities of human existence. The President perceives that our "weapons are symbols of human failure" necessary, but to be decried; that they should be supplemented, ultimately, and hopefully replaced, with the symbols of the greatness of our civilization; namely, material abundance, health, education. Specifically, his request for disbursement of food and clothing by means of our farm surpluses is a recognition of both a waste, on the one hand, and a want on the other. Finally, his request for \$1 billion as an investment in southeast Asian peace and progress appears to me as both judicious and enlightened.

The breadth and deep humanity of this message reminds one of the phrase, "no man is an island," a truism carrying with it profound responsibilities for all of us. The policy project for southeast Asia gives credit to the President and his administration whose chief concern is with unity, harmony, both at home and abroad; with peace, progress, humane enrichment for all men. In this view we become what we are, or let me say we acknowledge what is a fact, that we are citizens of the world, keepers of our brother, fellows of the human race.

We Americans do have a dream. Sometimes we forget to advert to it, but it is always there. It is our real "manifest destiny." It is this we must carry first and foremost to all the world; it is what makes food and money and volunteers significant. It is what this strong, wealthy, powerful Republic is really all about. The American dream is ancient in origin, but young in execution, in fact, it remains to be completed. This dream pictures all men as equal before their Creator and the law; as reasonable and perfectible, although weak and fallible. It draws no national boundaries, it knows no discrimination. The speech of President Johnson last night at Johns Hopkins University recaptures and recalls to us these principles, embodied in our Declaration of Independence and in the constitutional endeavors of the founders of this Nation.

The early settlers in America looked upon this new world as a city seated upon a hill, as a leader and an example to all the world. It is a long way from the Atlantic coast to Asia, but that far the American dream reaches today.

My colleagues, in the light of President Johnson's excellent and exceptional address, may I present to you a telegram and a suggestion which I received from one of my constituents, Mr. Peter Wambach of radio WCMB in Harrisburg, Pa. The message reads:

Congratulations on Johns Hopkins speech. It indicates once again that our President has the vision, the humanity and human kindness necessary in this time to bring men to peaceful existence one with another. Any program to accomplish its purpose must have a spark to lend interest to its promotion. I respectfully submit that your suggestions, in the committee headed by Eugene Black, be labeled the SAVE program—southeast Asia victory endeavor. To build, to aid and help is virtually to save and the word fits the purpose you have undertaken for this endeavor. The non-English

interpretation of the word, Latin, Spanish, et cetera is "knowledge" or "to know" or "connotes wisdom" and it would be so accepted in non-English speaking countries. I am hopeful indeed that this program will save southeast Asia and bring it to the future for which all men pray. Please accept this suggestion with my compliments and highest regards and let us get forward with the work.

I should like at this time to endorse and support this commendable recommendation from my fellow Pennsylvanian. I find it eminently suitable, imaginative, and meaningful. I should like to propose acceptance of this suggestion and that any ensuing legislation, forthcoming project, office, bill or otherwise be given the title of Save, embodying, as it does, the full meaning of our commitment in southeast Asia.

JOHNSON PLAN FOR PEACE IN VIETNAM

(Mr. WOLFF asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WOLFF. Mr. Speaker, last night the President presented the Johnson plan for peace in Vietnam. The initiative taken by the President clearly poses a set of reasonable and constructive goals which would brighten the lives of all the peoples of southeast Asia, a ray of hope in a cauldron of trouble that has known the scourge of war for decades. The President has offered an economic bread and butter olive branch. The Johnson plan delineates the peace as an alternative to war.

If those who have been involved in aggression in southeast Asia are genuinely concerned with the welfare of the people they cannot but join in support of the President's proposals.

The President's speech was evidence both of our resolve to persevere against aggression in Vietnam and project our primary aim of peace, order, and a decent standard of living for all the peoples of southeast Asia.

BILLION-DOLLAR BOONDOGGLE

(Mr. PELLY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PELLY. Mr. Speaker, President Johnson has done well to clarify the position of his administration before the American people and the world. I approve of the declaration—with one exception, however, and that is his proposed new \$1 billion boondoggle to aid southeast Asia.

We should have long since discovered that money does not buy friends. We have already expended \$7,701 million in southeast Asia—without winning friends or influencing people.

To suggest that private enterprise invest its money, at its own risk, in such an uncertain area, is one thing, but to dump more millions of the American taxpayers' money over there, on top of what we have already done, means, it seems to me, that we will be going from bad to worse.

In addition to the amount quoted above, an unitemized \$2,304 million has been spent in the Far East.

FUNDS FOR MEDICAL EDUCATION BUT NOT FOR HEALTH CARE?

(Mr. SCHISLER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SCHISLER. Mr. Speaker, I would like to call attention to a rather ironic situation. The AMA News published by the American Medical Association has been filled with articles denouncing the administration's proposed program of medical care for our senior citizens. All of us are familiar with the dire warnings issued by this official AMA publication of the dreadful results of Federal programs.

Yet in the February 22, 1965, issue of AMA News, there is a report of the great benefits derived from Federal funds in support of medical education in this country. The article quotes from a speech made before the 61st Annual Congress on Medical Education by C. Arden Miller, M.D., dean of the University of Kansas Medical School.

According to the report in AMA News, Dr. Miller told 1,000 educators at the conference that the Federal Government has been the most potent external force affecting medical education during the past 20 years. Dr. Miller said quite frankly:

Medical schools could not function without the financial support provided by Federal agencies in the name of research and research training.

The doctor also said "fear of Government control appears to have waged a poor contest against the need for increased funds" in our Nation's medical schools. He even went on to say that the hazards which some individuals and organizations predicted would accompany Federal funds for medical education, have not materialized.

The AMA News also puts Dr. Miller on record as saying:

Freedom of medical schools has increased as the limitations of relative poverty has eased; medical schools and medical education have not been sacrificed to external controls; and within recent years a new degree of autonomy has been introduced by general research support grants.

Mr. Speaker, in the face of the national campaign being waged by the AMA against a Federal health care plan, it is refreshing to discover in the AMA's own publication firm evidence that something good can come from Federal funds, even in the field of medicine.

It seems to me, Mr. Speaker, entirely proper to ask a question. If Federal funds can be used in the field of medical education, is it too much to ask why Federal funds cannot also be used to provide better care for elderly patients who visit these doctors who are trained in medical schools which benefit from Federal funds? Why should not the "most potent external force" in medical education also be available for use in meeting the health needs of our senior citizens?

There are, Mr. Speaker, 18 million senior citizens in our Nation awaiting the answers to these questions. They know that the training of doctors is essential to the well-being of our people, but they also know that their own health problems deserve proper attention.

If our doctors are receiving good training, Mr. Speaker, then surely their patients are entitled to the good care which the high standards of our medical profession demand but which the financial burden of high costs too often denies.

SNOOPERS IN YOUR MAIL

(Mr. HALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HALL. Mr. Speaker, if anyone in this House has ever doubted that this Federal bureaucracy is now so large, so complex, and so confused, that the right hand does not know what the left hand is doing, a story in this morning's Washington Post confirms this suspicion to a degree never before experienced.

On Monday of this week, during the House action on the Post Office and Treasury Departments appropriations, I placed in the CONGRESSIONAL RECORD a letter from the General Counsel's office of the Post Office Department, confirming my charge that there have been 14 seizures of first-class mail since December of 1962, under an agreement between the Post Office Department and the Internal Revenue Service.

Furthermore, the General Counsel confirmed that the last seizure took place on October 27, 1964, and that the Department is continuing to seize mail whenever requested to do so by the Commissioner of Internal Revenue.

Now comes Postmaster General Gronouski, presumably addressing a ladies' tea, since the story of his remarks is carried on the society page, and our Postmaster General says he learned about this innocuous practice of violating the fourth amendment to the Constitution, and ordered it stopped after a phone call to the Secretary of the Treasury last August.

Mr. Speaker, I suggest that the Postmaster General and his General Counsel need to communicate. The General Counsel says the last seizure occurred in October, 3 months after the Postmaster General says he ordered it stopped. Furthermore, the General Counsel says seizures of first-class mail are still being done when requested by the Commissioner, while the Postmaster General says they are not.

I hope we can get to the bottom of this, and toward that end, I have been invited to appear before the Senate Subcommittee on Administrative Practices and Procedures, which has been conducting hearings on mail cover. I look forward to doing so next Tuesday.

The editorial from yesterday's Washington Daily News on this subject, follows:

SNOOPERS IN YOUR MAIL

Since the U.S. postal service began, it has been axiomatic that first-class mail enroute to its destination cannot be seized and opened without a search warrant.

First-class mail, we have been assured over and over by postal authorities, is private property belonging to the person to whom it is mailed. It is protected against "unreasonable searches and seizures" by the fourth amendment to the Constitution—just as private households are.

Mr. MORSE. The Senator is correct.

Mr. LAUSCHE. The purpose of the bill is to definitely tie the money, given from the Federal level, to the service of an impoverished school area?

Mr. MORSE. It does tie it in. Not a dollar of it can be spent in the rich school.

Mr. LAUSCHE. I thank the Senator.

Mr. PROUTY. Mr. President, I suggest the absence of a quorum. I also suggest that the quorum will be live. I shall speak very briefly following the quorum call, and a vote can be expected shortly thereafter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 46 Leg.]

Aiken	Harris	Moss
Allott	Hart	Mundt
Anderson	Hayden	Murphy
Bartlett	Hickenlooper	Muskie
Bass	Hill	Nelson
Bayh	Holland	Neuberger
Bennett	Hruska	Pastore
Bible	Inouye	Pearson
Boggs	Jackson	Pell
Brewster	Javits	Prouty
Burdick	Jordan, N.C.	Proxmire
Byrd, Va.	Jordan, Idaho	Randolph
Byrd, W. Va.	Kennedy, Mass.	Ribicoff
Cannon	Kennedy, N.Y.	Robertson
Carlson	Kuchel	Saltonstall
Case	Lausche	Scott
Church	Long, Mo.	Simpson
Clark	Long, La.	Smathers
Cooper	Magnuson	Smith
Cotton	Mansfield	Sparkman
Curtis	McCarthy	Stennis
Dirksen	McClellan	Talmadge
Dominick	McGee	Thurmond
Douglas	McGovern	Tower
Eastland	McIntyre	Tydings
Ellender	McNamara	Williams, Del.
Ervin	Metcalfe	Williams, N.J.
Fannin	Miller	Yarborough
Fong	Mondale	Young, N. Dak.
Fulbright	Montoya	Young, Ohio
Gore	Morse	
Gruening	Morton	

The PRESIDING OFFICER (Mr. MONTROYA in the chair). A quorum is present.

The Senator from Vermont [Mr. PROUTY] is recognized.

Mr. PROUTY. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, I shall be very brief.

My amendment proposes to change the formula for the allocation of funds under title III.

If Senators will look at page 35 of the bill, they will see that after \$200,000 is allocated to each State—my amendment does not affect that provision—the remainder of the balance is distributed, 50 percent, based on the ratio between the number of children aged 5 to 17, inclusive, and the number of such children in all States.

The second provision relates to 50 percent of such remainder as the population of the State bears to the population of all States.

In short, my amendment takes care of the children in States where the money is needed most desperately.

At this time, without getting into the intricacies of the formula, I should like to read the names of the States which would benefit under my formula or proposed amendment: Alabama, Arizona,

Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Minnesota, Mississippi, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

Mr. President, I believe that adoption of my amendment would bring about a far more equitable means of distributing the funds, because they are funds based upon need rather than on some other formula. Mr. President, I am ready to vote.

THE PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont [Mr. PROUTY].

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I also announce that the Senator from South Carolina [Mr. JOHNSTON] and the Senator from Missouri [Mr. SYMINGTON] are absent because of illness.

I further announce that the Senator from Georgia [Mr. RUSSELL] is necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

The result was announced—yeas 38, nays 56, as follows:

[No. 47 Leg.]

YEAS—38

Aiken	Hickenlooper	Prouty
Allott	Hill	Robertson
Bass	Holland	Simpson
Bennett	Hruska	Smith
Carlson	Jordan, N.C.	Sparkman
Cotton	Jordan, Idaho	Stennis
Curtis	Long, La.	Talmadge
Dominick	McClellan	Thurmond
Eastland	McIntyre	Tower
Ervin	Miller	Williams, Del.
Fannin	Morton	Yarborough
Fulbright	Mundt	Young, N. Dak.
Gore	Pearson	

NAYS—56

Anderson	Harris	Montoya
Bartlett	Hart	Morse
Bayh	Hayden	Moss
Bible	Inouye	Murphy
Boggs	Jackson	Muskie
Brewster	Javits	Nelson
Burdick	Kennedy, Mass.	Neuberger
Byrd, Va.	Kennedy, N.Y.	Pastore
Byrd, W. Va.	Kuchel	Pell
Cannon	Lausche	Proxmire
Case	Long, Mo.	Randolph
Church	Magnuson	Ribicoff
Clark	Mansfield	Saltonstall
Cooper	McCarthy	Scott
Dirksen	McGee	Smathers
Douglas	McGovern	Tydings
Ellender	McNamara	Williams, N.J.
Fong	Metcalfe	Young, Ohio
Gruening	Mondale	

NOT VOTING—6

Dodd	Johnston	Russell
Hartke	Monroney	Symington

So Mr. PROUTY's amendment was rejected.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. McCARTHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, the Senator from Kansas [Mr. PEARSON] has an amendment which he wishes to present next. He states that it will take a very few minutes for him to explain the amendment. Senators may wish to remain in the Chamber in order to vote on it. I shall reply to the Senator from Kansas in less than 2 minutes. I ask for the yeas and nays on the Pearson amendment.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). The amendment will be stated, first.

AMENDMENT NO. 73

Mr. PEARSON. Mr. President, I call up, for myself and the Senator from Texas [Mr. TOWER], amendment No. 73.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill add a new section as follows:

AMENDMENT TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS, TO PROVIDE FOR MORE GRADUAL REDUCTION OF PAYMENTS AS A RESULT OF TERMINATION OF ACTIVITIES OF THE DEPARTMENT OF DEFENSE

SEC. 606. (a) Clause (B) of paragraph (2) of subsection (c) of section 3 of the Act of September 30, 1950, as amended (20 U.S.C. 238(c) (2) (B)), is amended to read as follows:

"(B) amounts to 3 per centum or more of the total number of children who were in average daily attendance during such year and for whom such agency provided free public education, except that—

"(i) such 3 per centum requirement need not be met by such agency for any period of two fiscal years which follows a fiscal year during which such agency met such requirement and was entitled to payment under the provisions of this section, but the payment under the provisions of this section to such agency for the second fiscal year of any such two-year period during which such requirement is not met, shall be reduced by 50 per centum of the amount thereof; or

"(ii) in the case of any local educational agency which falls for any fiscal year (following a fiscal year in which such agency met such 3 per centum requirement) to meet such 3 per centum requirement because of the termination of activities of the Department of Defense, the per centum requirement pursuant to this paragraph for such year and thereafter shall be 1 per centum; or

"(iii) in the case of any local educational agency which falls for any fiscal year (following a fiscal year in which such agency met the per centum requirements of this paragraph) to meet such 1 per centum requirement because of the termination of activities of the Department of Defense, such agency need meet no per centum requirement pursuant to this paragraph for such year and the three succeeding fiscal years, but the payment under the provisions of this section to such agency for such year shall be computed as though such agency had exactly met such 1 per centum requirement, and for the first such succeeding fiscal year when such agency does not meet any per centum requirement pursuant to this paragraph, such payment shall be reduced by 50 per centum of the amount thereof, for the second such succeeding fiscal year by 66 2/3 per centum of the amount thereof, and for the third such succeeding fiscal year by 75 per centum of the amount thereof."

(b) The amendment made by this section shall be effective on and after July 1, 1964.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I yield now to the Senator from Illinois [Mr. DIRKSEN]. Then I shall yield to the Senator from North Carolina for the presentation of a conference report.

LEGISLATIVE PROGRAM FOR THE REMAINDER OF THE DAY

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about the plans for the remainder of the day.

Mr. MANSFIELD. Mr. President, I have been discussing the situation with various Members of the Senate on both sides of the aisle. The leadership has agreed that the Senate should remain in session until about 9 o'clock or thereabouts. We are hopeful that we can continue to make the progress we have made this afternoon on the bill and bring it that much closer to a conclusion.

Mr. DIRKSEN. I should like to ask whether the majority leader feels there is a possibility of completing action on the bill tonight.

Mr. MANSFIELD. There is a slight possibility. It depends on the Senate.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO—CONFERENCE REPORT

Mr. JORDAN of North Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JORDAN of North Carolina. Mr. President, I ask unanimous consent that an explanation of the conference report be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF CONFERENCE REPORT ON H.R. 5721

Under the conference report the House would recede from its disagreement to 10 of the Senate amendments and agree to them exactly as adopted by the Senate.

With respect to the remaining seven amendments the House would recede with amendments.

The Senate amendments which would be amended under the conference report are as follows:

Amendment No. 1: The Senate amendment limited any downward adjustment of the national marketing quota in any year to 10 percent of domestic utilization and exports. The conference report would limit such reduction to 15 percent, thereby allowing the Secretary slightly more authority to bring supplies down to the reserve level.

Amendments Nos. 3 and 5: The Senate amendments required by the Secretary, in determining community and farm yields for all kinds of tobacco, to use the same base years, 1959-63, as he uses in the case of Flue-cured tobacco. The conference report would permit the Secretary to use 1960-64 as the base years for kinds of tobacco, other than Flue-cured, if he determined that those years would provide a better base.

Amendment No. 4: The House bill, as it came to the Senate, would have permitted a preliminary farm yield as high as the higher of (A) 120 percent of the community average yield, or (B) 75 percent of the actual average yield for the farm plus 25 percent of the national average yield goal.

The Senate amendment struck out the latter limitation, restricting the preliminary farm yield to not more than 120 percent of the community average yield. The conference report would permit the preliminary farm yield to be as high as (A) 120 percent of the community average yield, or (B) 50 percent of the actual average yield for the farm, plus 50 percent of the national average yield goal.

Amendments Nos. 12 and 16: The Senate amendments would have permitted burley tobacco growers to market 120 percent of their farm marketing quotas without penalty or loss of price support. The conference substitute would limit these provisions to the first year for which acreage-poundage quotas are effective. In subsequent years burley tobacco growers would be subject to the same 110 percent limit applicable to growers of other kinds of tobacco.

Amendment No. 14: The Senate amendment preserved the minimum allotments now provided for burley tobacco. The conference report makes some slight changes in the manner in which this is done; but it is designed to preserve those minimums, giving the producers on minimum allotment farms essentially the same protection under an acreage-poundage quota system as they have today under the acreage system. The conference report also makes provision for preserving those minimums essentially as they are today in the event that we return to an acreage allotment basis after a period of acreage-poundage controls.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HOLLAND. Mr. President, I voted against this bill when it was passed by the Senate. I served as a conferee on the bill. Of course, I tried to maintain the position of the Senate. However, I could no more vote for the conference report than I could vote for the bill when it was originally before the Senate. I shall therefore vote against the conference report.

I wish to make very clear that I believe the bill is an unjust one. Our Florida and Georgia producers of type 14 tobacco have not contributed to the setting up of the immense surplus of Flue-cured tobacco that now exists, and I do not think that they should be penalized because others have created that vast surplus—particularly when the law allows the Secretary of Agriculture to

take action—as I think he should have taken—to declare that type 14 tobacco is a separate kind of tobacco, does not contribute to the setting up of the surplus, and should have been entitled to different treatment in the making of allotments by the Department. I believe that the growers of Florida, Georgia, Alabama—and there are a few from Alabama—and from the lower part of South Carolina, who produce type 14 Flue-cured tobacco, are being grossly discriminated against by the conference report.

Second, I think those producers in my State particularly are being hurt because the growers, upon recommendation of the Department of Agriculture last December, cast an affirmative vote of more than two-thirds in a referendum for another kind of reduction of production; namely, cutting off 19½ percent of the acreage.

The growers in my State have already planted their crops. Before the conference report becomes law, which will then be followed by a 30-day period for a referendum, the tobacco in Florida will be half grown. Large crops in Georgia will be in the same situation, and growers in Alabama will also face the same situation. There will be no way in the world for those growers to make further plantings to catch up with the much smaller acreage reduction which is proposed to be made when the conference report is agreed to, which is about 5 percent.

Mr. President, it is not right to impose that kind of penalty upon people who have not created the surplus, who have proceeded under existing law, who have gone so far that they cannot be compensated as to this year's crop.

Mr. President, without further statement, I merely wish to add that I shall not ask for a yea-and-nay vote on the conference report. I wish the RECORD to show that I oppose the conference report vigorously because I believe it is unjust and departs from the kind of fairness that we have always tried to have exist in the matter of cutting down the production of agricultural crops.

Mr. COOPER. Mr. President, I was a member of the Senate-House conference committee, which completed its work on the acreage-poundage tobacco bill earlier today. I am glad that the conference adopted, in whole or in part, all the amendments to the House bill which I secured in the Senate Committee on Agriculture and which were adopted by the Senate.

The Senate will adopt the conference report in a few minutes, the House is expected to act tomorrow or Monday, so the acreage-poundage bill will be enacted—and at least in Flue-cured, and next year or later in burley, Dark-leaf, and other areas if the Secretary of Agriculture so decides, tobacco growers will have the choice between their present program and the acreage-poundage method of production controls provided by this bill.

I will vote for the bill in its final form, as the decision to shift to acreage-poundage requires the approval of two-thirds of the growers of each kind of tobacco, because I believe our tobacco program is

in some difficulty and may be headed for serious trouble, and because I think the bill has been improved by the amendments I secured.

Briefly, my amendments assure that two-thirds of the farmers must approve acreage-poundage; protect burley growers having small allotments of one-half acre or less; permit a burley producer to market up to 120 percent of his poundage quota the first year and 110 percent in succeeding years; protect growers against too drastic cuts by the Secretary under acreage-poundage; provide ample notice of an acreage-poundage referendum and of each farm allotment and quota prior to the referendum; continue to prohibit the lease and transfer of burley allotments; fix the base years to be used in computing farm yields and poundage quotas; make clear that if acreage-poundage is rejected in the referendum the present acreage allotment and price-support program remains in full effect; and assure consultation with growers and the leadership of farm organizations in each type of tobacco, and a report to the House and Senate Agriculture Committees on modifications needed, before a determination is made to hold an acreage-poundage referendum for any type of tobacco except Flue-cured.

I believe that all of us—tobacco growers, Members of Congress from the tobacco-growing States, and all who work with tobacco—must join together to secure the best means to protect and continue the price-support program, without which the tobacco grower would suffer great loss. We have worked hard throughout the years to protect our tobacco program and make it successful. We will continue to do so.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 2362) to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mr. PEARSON].

Mr. PEARSON. Mr. President, the pending amendment seeks to help communities which are suffering staggering blows to their educational systems because of the closing of defense installations and the resulting loss of impacted area school funds.

The amendment would extend the tapering off period of Public Law 874, the so-called impacted areas law, and would, as a result, cushion some of the impact by relieving a heavy burden of educational cost incurred directly as a result of the closing of defense installations.

The impacted area legislation which now exists provides that, because of the existence of Federal installations not on the local tax rolls, which bring into school districts the pupils of families

working or attached to military bases, veterans' hospitals or other installations, such as the FAA record center, school districts in such areas will receive Federal funds.

The formula and the justification under the law as it now exists provides that if 3 percent of the average daily attendance—with a minimum of 10 students—of the total enrollment within a school district is attached to a Federal installation, the district shall receive an amount of money agreed to between the State superintendent and the Federal Office of Education.

That amount has varied.

If there is a double connection, in instances in which a family not only lives but works on a Federal installation, the amount would be a certain amount. If a family worked but did not live on the same installation, the amount would vary accordingly.

To continue, under the existing law, if in a school district that average falls below 3 percent, that district continues to be paid on a per pupil basis by agreement with the State superintendent and the Federal Office of Education on the same basis that it would normally receive for the first year. But in the second year, if the district should fall below, the school district would receive one-half of the previous year's amount, and in the third year Federal aid would be cut off altogether.

Mr. President, under my amendment, which relates to Federal installations and military installations only, if there is a phasing out of operations under the orders of the Department of Defense, the amendment provides that the qualification percentage could be reduced from 3 percent to 1 percent, and the district would still receive money as before and would still be subject to the agreement between the State and the Federal agency.

The amendment further provides that if the average falls below the 1-percent level as the military installations are phased out, for the first year the district shall receive one-half of the 1-percent level; for the second year, one-third of the 1-percent level; for the third year, one-quarter of the 1-percent level; and the fourth year, it shall receive no further aid under the impacted-area program.

Under this amendment, these percentages would be effective as of July 1, 1964, to be included in the fiscal year 1965.

A period of economic adjustment is needed during the closing of the military installations. I am advised that these closings will result in a loss of some \$6 million in impacted-area funds. An adjustment period is necessary for those districts.

To illustrate, school districts today have contracts for teachers and personnel and for goods and services. They are obligated for maintenance requirements for school buildings and facilities that have been built, instituted, and maintained for the large enrollment that was expected.

Also, while it would be of little relief, some help would be provided in the payment of bond principal and interest, even

though the bond issues may extend over many years beyond what the amendment might anticipate.

Another advantage of a longer period for impacted-area aid lies in the possibility that many of the lands now used for Federal installations could conceivably be returned from their Federal-exempt status to the tax rolls in the 4 years ahead.

The amendment is completely compatible with the philosophy of the bill, which, in a word, seeks to aid depressed school districts throughout the country. It seems to me it makes little difference as to how the districts might become depressed, whether through a poverty situation, economic conditions, or the phasing out and closing of military establishments.

Four hundred school districts in 33 States would be affected by the amendment. I ask unanimous consent that a list of the 33 States be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The number of States affected by the closing of military installations by the Defense Department totals 33. They are: Alabama, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Louisiana, Maine, Massachusetts, Michigan, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, Wyoming and Wisconsin.

Mr. PEARSON. Mr. President, 71 districts in Pennsylvania; 12 districts in Mobile, Ala., alone; 16 districts in my own State of Kansas; and in one city, the city of Salina, where Schilling Air Force Base will be phased out in a short period of time, within a year, the school district affected will lose one-seventh of its total budget.

I hope the Senate will favorably consider the amendment, on which I believe the yeas and nays have been ordered.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). The yeas and nays have been ordered.

Mr. TOWER. Mr. President, I am pleased to have the opportunity to support the amendment offered by the distinguished junior Senator from Kansas and to join him in offering it. I am gratified that he felt, as I do, that this matter should be brought up as an amendment to the bill. It is the first major education bill of the session, and is an appropriate vehicle for the amendment.

The amendment applies directly to elementary and secondary schools, so this is an appropriate time for the proposal to be considered by the Senate.

My own State of Texas has been affected, as have virtually all other States, by the closing or phasing out of military establishments which the Department of Defense feels are no longer necessary for national security. I have been pleased with the efforts of the Department and the individual communities involved to lessen the impact of the closings. However, it appears obvious that an additional step could be taken to assist those communities in the vital

field of education if we are sincere about enhancing the educational program of our country.

As now constituted, Public Law 874, which the amendment affects in the manner so ably pointed out by the Senator from Kansas [Mr. PEARSON] provides a system of cutting off funds for the school districts that fall below certain levels of enrollment for federally connected children.

The amendment proposes that the tapering-off period be liberalized so as to stretch out the economic impact caused by the curtailment of such funds when a defense base is closed, thus reducing the enrollment of federally connected children in a school system.

I have discussed this subject with many school superintendents. They point out the importance of impacted area funds in their budget planning. They correctly state that such planning must be plotted several years ahead, so that sufficient classrooms, teachers, and programs will be available.

I believe that a longer tapering-off period for impacted areas aid would be of vital benefit to the affected school districts. The Federal Government already has recognized its obligation to assist communities in the realignment of their economies to make up for the loss of a defense base. Congress has recognized its responsibility to make certain that education is not denied to the Nation's children.

I should like to recall to the Senate the situation in which Texas finds itself—a situation that is certainly echoed in other States.

Four major defense installations are being phased out or curtailed in Texas under the most recent Department of Defense cutback. A total of 6,498 children now counted as federally connected will not be so counted when the curtailment is complete. The total amount of Federal funds paid for those children in fiscal year 1964 was \$873,115. That is a sizable figure. It affects the areas around Amarillo, Abilene, Waco, and Fort Worth, specifically.

The school districts in those areas trained children from the defense bases when the Nation's security demanded that bases be maintained there. Now, in good faith, those districts are entitled to a most generous consideration as the funds with which they planned are withdrawn.

I believe that a liberalization of the withdrawal schedule would vitally assist those districts. It amounts to a matter of good faith.

I urge the Senate to consider the amendment on its merits and not to consider the pressure that has been put on the Senate to pass the bill in the form in which it came to us from the House of Representatives.

I thank the distinguished Senator from Kansas for bringing this matter before the Senate. It is vital to many States. The junior Senator from Kansas is to be commended.

Mr. PEARSON. I thank the Senator from Texas. I acknowledge his leadership on this particular subject. It was

the introduction of his bill, S. 1256, in which I joined as a cosponsor, that brought this matter to the attention of the committee and the Senate. I appreciate his support and his comments.

Mr. CARLSON. Mr. President, will my colleague yield?

Mr. PEARSON. I yield to my colleague from Kansas.

Mr. CARLSON. I wish to associate myself with the remarks of my colleague from Kansas [Mr. PEARSON] and the remarks of the Senator from Texas [Mr. TOWER] in regard to the pending amendment.

A real problem exists in communities where the closing of Air Force bases and other Federal facilities is vitally affecting schools. We have had such experiences in our State, and I know that is true of other States. Therefore, I sincerely hope that the Senate will adopt the amendment.

Mr. MORSE. Mr. President, I oppose the amendment. I feel certain that whatever merit there is in the proposal—and I think the hearings will show there is considerable—an accommodation will be reached. The Subcommittee on Education has never had the amendment before it; therefore, no hearings have been held and no views of the administration have been received. So it is unwise, in my judgment, to legislate at this time on this subject, in the absence of the facts and official views on the merits or demerits of the proposal.

However, I assure the Senators from Kansas and the Senator from Texas that officials who are in charge of the impacted area program are themselves just as desirous as are those Senators to arrive at a fair change in the formula after the study I now announce to the Senate is reported to Congress.

It will be recalled that last year Congress included in S. 3060 a provision which required the Department of Health, Education, and Welfare to make a study of the problem of impacted areas legislation, its administration, and the policies that are concerned therewith, by June 30 of this year. A contract was then entered into by the Department of Health, Education, and Welfare with Stanford University Research Associates.

This organization is in the midst of preparing its study. As many Senators know, the problems that the Senator has raised this afternoon, concerning what we shall do as to facilities in schools and the school districts if we do not provide for some financial tapering off by way of support to that school district, will create great hardships and injustices. There are other problems that caused the contract for a study to be let to the Stanford University Research Associates. We are familiar with some of the reports of the Comptroller General of the United States, in which he has reported to Congress in the past few years the need for some careful checking on the use of the impacted area money, which seems to be somewhat irregular in some school districts.

In my own State, for example, there are practices with respect to the appli-

cation of State equalization of school funds to the impacted area school districts which should be reviewed.

We have received a good many complaints of this type. That is the reason why Congress enacted this legislation last year, with the study provision in it. The study will be completed in the near future. When the study is completed, I assure the Senator from Kansas and my former colleague on the committee, the Senator from Texas [Mr. TOWER], that hearings will be called by my subcommittee immediately after we receive the facts of that study, together with the recommendations based upon it from the Office of Education. The Senator can then introduce whatever amendment he desires on the basis of facts set forth in the study—which I think that will be helpful to him.

I must respectfully say that it would not be fair for us this afternoon to agree to this amendment when this is the first time we have heard of it.

All I can do is to give my word to the Senator—and I keep my word—that this amendment will be offered and subjected to hearings before my subcommittee as soon as the June 30, 1965, report is placed in my hands. That report must be furnished by June 30 next, but I have been advised that can perhaps be furnished at an earlier date.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TOWER. What we are concerned with here is not the problem of an impacted area, but an area that is becoming unimpacted.

Mr. MORSE. It is involved in the impacted area legislation.

Mr. TOWER. It is involved in the phasing out process of school facilities. A number of districts discover that they have planned and contracted for the construction of additional classrooms. They must pay for this construction whether they use the classrooms or not. It works a hardship on school districts which have acted in good faith.

I would not want to support anything that would provide any abuse of an impacted area. I know that there are problems. I have talked with superintendents of school districts which have acted and are acting in good faith.

Mr. MORSE. Mr. President, I do not say that that is incorrect. But this is not the appropriate vehicle to which to attach the amendment. The appropriate vehicle is the impacted area legislation that will be before us before Congress adjourns. No school district would suffer thereby. Whatever financial adjustment is to be made, it would be made available to them for the next fiscal year.

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PEARSON. Mr. President, I am aware of the study to which the Senator from Oregon referred, which study is being made by the group at Stanford University. This is a reevaluation study and concerns impacted areas.

The authorization for that study occurred long before we had an order from



An Act

To amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, hereinafter referred to as the "Act", is amended by adding immediately following section 316 a section 317 to read as follows:

Tobacco.
Marketing
quotas.
52 Stat. 31.
7 USC 1281.

"ACREAGE-POUNDAGE QUOTAS

"SEC. 317. (a) For purposes of this section—

Definitions.

"(1) 'National marketing quota' for any kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year, adjusted upward or downward in such amount as the Secretary, in his discretion, determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of supplies to the reserve supply level. Any such downward adjustment shall not exceed 15 per centum of such estimated utilization and exports.

"(2) 'National average yield goal' for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

"(3) 'National acreage allotment' means the acreage determined by dividing the national marketing quota by the national average yield goal.

"(4) 'Farm acreage allotment' for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by adjusting uniformly the acreage allotment established for such farm for the immediately preceding year, prior to any increase or decrease in such allotment due to undermarketings or overmarketings and prior to any reduction under subsection (f), so that the total of all allotments is equal to the national acreage allotment less the reserve provided in subsection (e) of this section with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for overmarketing or undermarketing and to reflect any reduction required under subsection (f) of this section, and including any adjustment for errors or inequities from the reserve. In determining farm acreage allotments for Flue-cured tobacco for 1965, the 1965 farm allotment determined under section 313 shall be adjusted in lieu of the acreage allotment for the immediately preceding year.

"(5) The 'community average yield' means for Flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the three highest years of the five years 1959 to 1963, inclusive, except that if the yield for any of the three highest years is less than 80 per centum of the average for the three years then that year or years shall be eliminated and the average of the remaining years shall be the com-

79 STAT. 66.
79 STAT. 67.
7 USC 1313.

16 USC 590h.

munity average yield. Community average yields for other kinds of tobacco shall be determined in like manner, except that the five years 1960 to 1964, inclusive, may be used instead of the period 1959 to 1963, as determined by the Secretary.

"(6) (A) 'Preliminary farm yield' for Flue-cured tobacco means a farm yield per acre determined by averaging the yield per acre for the three highest years of the five consecutive crop years beginning with the 1959 crop year except that if that average exceeds 120 per centum of the community average yield the preliminary farm yield shall be the sum of 50 per centum of the average of the three highest years and 50 per centum of the national average yield goal but not less than 120 per centum of the community average yield, and if the average of the three highest years is less than 80 per centum of the community average yield the preliminary farm yield shall be 80 per centum of the community average yield. In counties where less than five hundred acres of Flue-cured tobacco were allotted for 1964, the county may be considered as one community. If Flue-cured tobacco was not produced on the farm for at least three years of the five-year period the average of the yields for the years in which tobacco was produced shall be used instead of the three-year average. If no Flue-cured tobacco was produced on the farm in the five-year period but the farm is eligible for an allotment because Flue-cured tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

"(B) 'Preliminary farm yield' for kinds of tobacco, other than Flue-cured, means a farm yield per acre determined in accordance with subparagraph (A) of this paragraph (6) except that in lieu of the five consecutive crop years beginning with 1959 the years 1960 to 1964, inclusive, may be used, as determined by the Secretary. In counties where less than five hundred acres of the kind of tobacco for which the determination is being made were allotted in the last year of the five-year period the county may be considered as one community. If tobacco of the kind for which the determination is being made was not produced on the farm for at least three years of the five-year period, the average of the yields for the years in which the kind of tobacco was produced shall be used instead of the three-year average. If no tobacco of the kind for which the determination is being made was produced on the farm in the five-year period but the farm is eligible for an allotment because such tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

"(7) 'Farm yield' means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm prior to adjustments for overmarketing, undermarketing, or reductions required under subsection (f) and dividing the sum of the products by the national acreage allotment.

"(8) 'Farm marketing quota' for any farm for any marketing year shall be the number of pounds of tobacco obtained by multiplying the farm yield by the acreage allotment prior to any adjustment for undermarketing or overmarketing, increased for undermarketing or

79 STAT. 67.

79 STAT. 68.

decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if marketing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: *Provided*, That the farm marketing quota for any marketing year shall not be increased for undermarketing by an amount in excess of the number of pounds determined by multiplying the acreage allotment for the farm for the immediately preceding year prior to any increase or decrease for undermarketing or overmarketing by the farm yield. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years. The farm marketing quota will be increased or decreased for the second succeeding marketing year in the case of Maryland tobacco, and for any other kind of tobacco for which the Secretary determines it is impracticable because of the lack of adequate marketing data, to make the increases or decreases applicable to the immediately succeeding marketing year.

Maryland
tobacco.
Inadequate
marketing
data.

“(b) Within thirty days after the enactment of this section the Secretary pursuant to the provisions of subsection (a) of this section shall determine and announce the amount of the national marketing quota for Flue-cured tobacco for the marketing year beginning July 1, 1965, and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco, and within thirty days after the announcement of the amount of such national marketing quota shall conduct a special referendum of the farmers engaged in the production of Flue-cured tobacco of the 1964 crop to determine whether they favor or oppose the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the marketing years beginning July 1, 1965, July 1, 1966, and July 1, 1967, in lieu of quotas on an acreage basis in effect for those marketing years. If the Secretary determines that more than 66⅔ per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis, marketing quotas on an acreage-poundage basis as provided in this section shall be in effect for those marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period.

Referendum.

“(c) Whenever, during the first or second marketing year of the three-year period for which marketing quotas on an acreage basis are in effect for any kind of tobacco, including Flue-cured tobacco, the Secretary, in his discretion, determines with respect to that kind of tobacco that acreage-poundage quotas under this section would result in a more effective marketing quota program for that kind of tobacco he shall at the time the next announcement of the amount of the national marketing quota under section 312(b) of this Act determine and announce the amount of the national quota for that kind of tobacco under this section of the Act and at the same time announce the national acreage allotment and national average yield goal and within forty-five days thereafter conduct a special referendum of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether they favor the establishment of marketing quotas on an acreage-poundage basis as provided in this section for the next three marketing years: *Provided, however*, That the Secretary shall not make any such determination with respect to any kind of tobacco except Flue-cured tobacco unless prior thereto he shall conduct public hearings in the areas where such tobacco is produced for the purpose of ascertaining and taking into consideration the atti-

79 STAT. 68.

79 STAT. 69.

69 Stat. 557.

7 USC 1312.

tudes of producers and other interested persons with respect to acreage-poundage quotas. If the Secretary determines that more than 66⅔ per centum of the farmers voting in the special referendum approve marketing quotas on an acreage-poundage basis as provided in this section, quotas on that basis shall be in effect for the next three marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such three-year period. If marketing quotas on an acreage-poundage basis are not approved by more than 66⅔ per centum of the farmers voting in such referendum, the marketing quotas on an acreage basis shall continue in effect as theretofore proclaimed under section 312(a).

“(d) If marketing quotas have been made effective for a kind of tobacco on an acreage-poundage basis pursuant to subsections (b) or (c) the Secretary shall, not later than December 1 of any marketing year with respect to Flue-cured tobacco, and February 1 with respect to other kinds of tobacco, proclaim a national marketing quota for that kind of tobacco for the next three succeeding marketing years if the marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect. The Secretary, in his discretion, may proclaim the quota on an acreage-poundage basis as provided in this section or on an acreage allotment basis, whichever he determines would result in a more effective marketing quota for that kind of tobacco, and shall conduct a referendum in accordance with the provisions of section 312(c) of this Act. If the Secretary determines that more than one-third of the farmers voting oppose the national marketing quotas the results shall be proclaimed and the national marketing quota so proclaimed shall not be in effect. If the Secretary proclaims the quotas on an acreage-poundage basis he shall determine and proclaim at the same time the national marketing quota, national acreage allotment, and national average yield goal for the first year of the three years for which quotas are proclaimed. Notice of the farm marketing quota which will be in effect for his farm for the first marketing year covered by the referendum insofar as practicable shall be mailed to the farm operator prior to the holding of any special referendum under subsection (b) or a referendum on acreage-poundage quotas under this subsection, and at least 15 days prior to the holding of any special referendum under subsection (c). The Secretary shall determine and announce the national marketing quota, national acreage allotment and national average yield goal for the second and third marketing years of any three-year period for which national marketing quotas on an acreage-poundage basis are in effect on or before the December 1 with respect to Flue-cured tobacco and the February 1 with respect to other kinds of tobacco immediately preceding the beginning of the marketing year to which they apply. Whenever a national marketing quota, national acreage allotment, and national average yield goal are determined and announced, the Secretary shall provide for the determination of farm acreage allotments and farm marketing quotas under the provisions of this section for the crop and marketing year covered by the determinations.

“(e) No farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding five years. For each marketing year for which acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than 1 per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments, adjusting inequities, and for establishing acreage allotments for

69 Stat. 557.
7 USC 1312.

79 STAT. 69.
79 STAT. 70.

new farms, which are farms on which tobacco was not produced or considered produced during the immediately preceding five years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop rotation practices, soil and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms, and shall not exceed the community average yield.

“(f) Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage-poundage programs established under this section. The acreage reductions required under the last two sentences shall be in addition to any other adjustments made pursuant to this section, and when acreage reductions are made the farm marketing quota shall be reduced to reflect such reductions. The provisions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production or marketings of tobacco grown on a farm for which an acreage allotment and a farm yield are established as provided in this section. In establishing acreage allotments and farm yields for other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency. Acreage allotments and farm marketing quotas determined under this section may (except in the case of Burley tobacco, or other kinds of tobacco not subject to section 316) be leased under the terms and conditions contained in section 316 of this Act, except that (1) the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields, and (2) any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred. Transfers of acreage allotments for 1965 under section 316 on the basis of leases executed prior to the effective date of a program for the 1965 crop of Flue-cured tobacco under this section may be approved or ratified by the county committee for the purposes of this section, but the amount of allotment transferred shall be increased or decreased in the same proportion that the allotment of the farm from which it is transferred is increased or decreased under this section.

“(g) When marketing quotas under this section are in effect, provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

“(1) No penalty on excess tobacco shall be due or collected until 110 per centum (120 per centum in the case of Burley tobacco for the first year for which marketing quotas are made effective under this section) of the farm marketing quota for a farm has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable, and collected at the time of marketing on each pound of tobacco marketed, and any tobacco marketed in excess of 100 per centum of the farm marketing quota will require a reduction in subsequent farm marketing quotas in accordance with paragraph (a) (8): *Provided, however, If the Secretary, in his*

53 Stat. 1261;
69 Stat. 24;
72 Stat. 291.
7 USC 1313.

72 Stat. 995.
7 USC 1378.

75 Stat. 469.
7 USC 1314b.

79 STAT. 70.
79 STAT. 71.

Penalties.

52 Stat. 48;
54 Stat. 393.
7 USC 1314.

discretion, determines it is desirable to encourage the marketing of grade N₂ tobacco, or any grade of tobacco not eligible for price support, in order to meet the normal demands of export and domestic markets, he may authorize the marketing of such tobacco in a marketing year without the payment of penalty or deduction from subsequent quotas to the extent of 5 per centum of the farm marketing quota for the farm on which the tobacco was produced.

52 Stat. 48;
54 Stat. 393.

"(2) When marketing quotas established under this section are in effect the provisions with respect to penalties contained in the third sentence of subsection 314(a) shall be revised to read: 'If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 per centum of the farm marketing quota plus the farm yield of the number of acres harvested in excess of the farm acreage allotment and the penalty in respect thereof shall be paid and remitted by the producer.'

"(3) For the first year a marketing quota program established under the provisions of this section is in effect, the words 'normal production' where they appear in the fourth sentence of subsection (a) of such section shall be read 'farm yield' and the said fourth sentence shall otherwise be applicable. For the second and succeeding years for which a program established under the provisions of this section is in effect, the provisions of subsection (a) (8) shall apply when penalties, if any, on carryover tobacco are computed, and the provisions contained in the fourth sentence of subsection 314(a) shall not be applicable.

Burley tobacco.

"(h) Notwithstanding any other provision of this section, for any year subsequent to the first year for which marketing quotas are made effective under this section for Burley tobacco—

"(1) the farm acreage allotment for Burley tobacco under this section shall not be less than the smallest of (A) the acreage allotment established for the farm for such first year, (B) five-tenths of an acre, or (C) 10 per centum of the cropland; and

"(2) the farm marketing quota for Burley tobacco under this section shall not be less than the minimum allotment provided by clause (1) multiplied by the farm yield established for such first year for such farm.

79 STAT. 71.
79 STAT. 72.

Farm acreage allotments and marketing quotas to which the provisions of (1) and (2) are applicable shall be subject to adjustment for overmarketing or undermarketing or reductions required by subsection (f). The additional acreage and quotas required under this subsection shall be in addition to the national acreage allotment and national marketing quota.

"Whenever the Secretary proclaims a quota on an acreage allotment basis (in lieu of on an acreage poundage basis)—

69 Stat. 24.

"(A) the minimum acreage allotment for Burley tobacco for any farm shall be determined under the provisions of the Act of July 12, 1952, as amended (7 U.S.C. 1315) instead of under the preceding provisions of this subsection;

"(B) clause (1) of the Act of July 12, 1952, shall for such purpose read as follows: '(1) the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis'; and

"(C) the proviso of that Act shall for such purpose read as follows: 'Provided, however, That no allotment of seven-tenths

of an acre or less shall be reduced more than one-tenth of an acre below the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis'.

"(i) If an acreage-poundage program for Flue-cured tobacco is approved by growers voting in the special referendum under subsection (b), the Secretary shall not later than January 1, 1966—

"(1) Consult with representatives of all segments of the tobacco industry, including growers, State farm organizations, and cooperative associations, in meetings held for each kind of tobacco, to receive their recommendations and to determine the need for a similar or modified program for that kind of tobacco.

"(2) Conduct a study and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry on experience with and operation of the program, and make recommendations for any modifications needed to improve the program, including alternatives adapted to the different needs of other kinds of tobacco."

Report to congressional committees.

SEC. 2. Subsection (j) of section 313 of the Agricultural Adjustment Act of 1938, as added by Public Law 361, 84th Congress, approved August 11, 1955, is amended by inserting immediately following the language "(g) hereof" wherever it appears in said subsection the language "or section 317".

68 Stat. 684.
7 USC 1313.

SEC. 3. Section 106 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

Price support.

"(c) If acreage-poundage farm marketing quotas are in effect under section 317 of the Agricultural Adjustment Act of 1938, as amended, (1) price support shall not be made available on tobacco marketed in excess of 110 per centum (120 per centum in the case of Burley tobacco for the first year for which marketing quotas are made effective under this section) of the marketing quota for the farm on which such tobacco was produced, and (2) for the purpose of price-support eligibility, tobacco carried over from one marketing year to another to avoid marketings in excess of the farm marketing quota shall, when marketed, be considered tobacco of the then current crop."

74 Stat. 6.

7 USC 1445.

Ante, p. 66.

SEC. 4. Nothing in this Act shall be construed as affecting the authority or responsibility of the Secretary of Agriculture under section 301(b) (15) or section 313(i) of the Agricultural Adjustment Act of 1938 with respect to providing that different types of tobacco shall be treated as different kinds of tobacco, or with respect to increasing allotments or quotas for farms producing certain types of tobacco.

54 Stat. 1210;

65 Stat. 422.

7 USC 1301, 1313.

Approved April 16, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 147 (Comm. on Agriculture) and No. 228 (Comm. of Conference).

SENATE REPORT No. 145 (Comm. on Agriculture and Forestry).

CONGRESSIONAL RECORD, Vol. 111 (1965):

Mar. 23: Considered and passed House.

Apr. 5: Considered and passed Senate, amended.

Apr. 8: House and Senate agreed to conference report.

